



## 101ST GENERAL ASSEMBLY

### State of Illinois

### 2019 and 2020

### HB4948

Introduced 2/18/2020, by Rep. William Davis

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/16-158	from Ch. 108 1/2, par. 16-158
40 ILCS 5/17-127	from Ch. 108 1/2, par. 17-127
40 ILCS 5/17-129	from Ch. 108 1/2, par. 17-129
40 ILCS 15/1.1	
40 ILCS 15/1.10 new	
105 ILCS 5/18-8.15	

Amends the Downstate and Chicago Teacher Articles of the Illinois Pension Code to require school districts to pay the employer normal cost of benefits beginning in fiscal year 2021. Amends the State Pension Funds Continuing Appropriation Act to appropriate from the Common School Fund to the State Board of Education, on a continuing annual basis beginning with fiscal year 2021, the amount certified as the employer normal cost, to be distributed by the State Board of Education under the evidence-based funding formula provisions of the School Code. Amends the evidence-based funding formula provisions of the School Code to make changes concerning the employee benefit investments calculation and the Base Funding Minimum calculation. Effective immediately.

LRB101 20237 NHT 69777 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning education.

2 WHEREAS, This Act may be referred to as the Accelerating of  
3 School Funding Equity Act of 2020; and

4 WHEREAS, The General Assembly overhauled this State's  
5 outdated and inequitable funding system in 2017 with the  
6 enactment of an evidence-based funding formula via Public Act  
7 100-465, which consolidated several funding streams into a  
8 single formula; and

9 WHEREAS, This new, modernized formula considers how much  
10 each school district needs to adequately educate its students,  
11 how much local capacity each district has to fund its schools,  
12 and how close each district is to reaching adequate funding,  
13 all while holding harmless all districts; and

14 WHEREAS, The State pays most employer costs of teacher  
15 pensions, which is among the most inequitable ways this State  
16 supports school districts because those districts with higher  
17 teacher salaries and more teachers receive a greater State  
18 subsidy for the cost of teacher pensions than those districts  
19 with lower teacher salaries and fewer teachers; and

20 WHEREAS, The current structure for State support of teacher  
21 pension costs provides school districts funded above 100%  
22 adequacy a benefit of \$328 more per pupil than it provides to

1 school districts funded below 80% of adequacy; and

2 WHEREAS, By applying the same principles found in the  
3 evidence-based funding formula, the inequitable teacher  
4 pension funding structure can be improved to accelerate equity,  
5 accelerate the timeline for bringing the school funding system  
6 closer to adequacy, and protect teacher pension funding;  
7 therefore"; and

8 **Be it enacted by the People of the State of Illinois,**  
9 **represented in the General Assembly:**

10 Section 5. The Illinois Pension Code is amended by changing  
11 Sections 16-158, 17-127, and 17-129 as follows:

12 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

13 Sec. 16-158. Contributions by State and other employing  
14 units.

15 (a) The State shall make contributions to the System by  
16 means of appropriations from the Common School Fund and other  
17 State funds of amounts which, together with other employer  
18 contributions, employee contributions, investment income, and  
19 other income, will be sufficient to meet the cost of  
20 maintaining and administering the System on a 90% funded basis  
21 in accordance with actuarial recommendations.

22 The Board shall determine the amount of State contributions

1 required for each fiscal year on the basis of the actuarial  
2 tables and other assumptions adopted by the Board and the  
3 recommendations of the actuary, using the formula in subsection  
4 (b-3).

5 (a-1) Annually, on or before November 15 until November 15,  
6 2011, the Board shall certify to the Governor the amount of the  
7 required State contribution for the coming fiscal year. The  
8 certification under this subsection (a-1) shall include a copy  
9 of the actuarial recommendations upon which it is based and  
10 shall specifically identify the System's projected State  
11 normal cost for that fiscal year.

12 On or before May 1, 2004, the Board shall recalculate and  
13 recertify to the Governor the amount of the required State  
14 contribution to the System for State fiscal year 2005, taking  
15 into account the amounts appropriated to and received by the  
16 System under subsection (d) of Section 7.2 of the General  
17 Obligation Bond Act.

18 On or before July 1, 2005, the Board shall recalculate and  
19 recertify to the Governor the amount of the required State  
20 contribution to the System for State fiscal year 2006, taking  
21 into account the changes in required State contributions made  
22 by Public Act 94-4.

23 On or before April 1, 2011, the Board shall recalculate and  
24 recertify to the Governor the amount of the required State  
25 contribution to the System for State fiscal year 2011, applying  
26 the changes made by Public Act 96-889 to the System's assets

1 and liabilities as of June 30, 2009 as though Public Act 96-889  
2 was approved on that date.

3 On or before July 1, 2020, the Board shall recalculate and  
4 recertify to the Governor the amount of the required State  
5 contribution to the System for State fiscal year 2021, applying  
6 the changes made by this amendatory Act of the 101st General  
7 Assembly.

8 (a-5) On or before November 1 of each year, beginning  
9 November 1, 2012, the Board shall submit to the State Actuary,  
10 the Governor, and the General Assembly a proposed certification  
11 of the amount of the required State contribution to the System  
12 for the next fiscal year, along with all of the actuarial  
13 assumptions, calculations, and data upon which that proposed  
14 certification is based. On or before January 1 of each year,  
15 beginning January 1, 2013, the State Actuary shall issue a  
16 preliminary report concerning the proposed certification and  
17 identifying, if necessary, recommended changes in actuarial  
18 assumptions that the Board must consider before finalizing its  
19 certification of the required State contributions. On or before  
20 January 15, 2013 and each January 15 thereafter, the Board  
21 shall certify to the Governor and the General Assembly the  
22 amount of the required State contribution for the next fiscal  
23 year. The Board's certification must note any deviations from  
24 the State Actuary's recommended changes, the reason or reasons  
25 for not following the State Actuary's recommended changes, and  
26 the fiscal impact of not following the State Actuary's

1 recommended changes on the required State contribution.

2 (a-10) By November 1, 2017, the Board shall recalculate and  
3 recertify to the State Actuary, the Governor, and the General  
4 Assembly the amount of the State contribution to the System for  
5 State fiscal year 2018, taking into account the changes in  
6 required State contributions made by Public Act 100-23. The  
7 State Actuary shall review the assumptions and valuations  
8 underlying the Board's revised certification and issue a  
9 preliminary report concerning the proposed recertification and  
10 identifying, if necessary, recommended changes in actuarial  
11 assumptions that the Board must consider before finalizing its  
12 certification of the required State contributions. The Board's  
13 final certification must note any deviations from the State  
14 Actuary's recommended changes, the reason or reasons for not  
15 following the State Actuary's recommended changes, and the  
16 fiscal impact of not following the State Actuary's recommended  
17 changes on the required State contribution.

18 (a-15) On or after June 15, 2019, but no later than June  
19 30, 2019, the Board shall recalculate and recertify to the  
20 Governor and the General Assembly the amount of the State  
21 contribution to the System for State fiscal year 2019, taking  
22 into account the changes in required State contributions made  
23 by Public Act 100-587. The recalculation shall be made using  
24 assumptions adopted by the Board for the original fiscal year  
25 2019 certification. The monthly voucher for the 12th month of  
26 fiscal year 2019 shall be paid by the Comptroller after the

1 recertification required pursuant to this subsection is  
2 submitted to the Governor, Comptroller, and General Assembly.  
3 The recertification submitted to the General Assembly shall be  
4 filed with the Clerk of the House of Representatives and the  
5 Secretary of the Senate in electronic form only, in the manner  
6 that the Clerk and the Secretary shall direct.

7 (b) Through State fiscal year 1995, the State contributions  
8 shall be paid to the System in accordance with Section 18-7 of  
9 the School Code.

10 (b-1) Beginning in State fiscal year 1996, on the 15th day  
11 of each month, or as soon thereafter as may be practicable, the  
12 Board shall submit vouchers for payment of State contributions  
13 to the System, in a total monthly amount of one-twelfth of the  
14 required annual State contribution certified under subsection  
15 (a-1). From March 5, 2004 (the effective date of Public Act  
16 93-665) through June 30, 2004, the Board shall not submit  
17 vouchers for the remainder of fiscal year 2004 in excess of the  
18 fiscal year 2004 certified contribution amount determined  
19 under this Section after taking into consideration the transfer  
20 to the System under subsection (a) of Section 6z-61 of the  
21 State Finance Act. These vouchers shall be paid by the State  
22 Comptroller and Treasurer by warrants drawn on the funds  
23 appropriated to the System for that fiscal year.

24 If in any month the amount remaining unexpended from all  
25 other appropriations to the System for the applicable fiscal  
26 year (including the appropriations to the System under Section

1 8.12 of the State Finance Act and Section 1 of the State  
2 Pension Funds Continuing Appropriation Act) is less than the  
3 amount lawfully vouchered under this subsection, the  
4 difference shall be paid from the Common School Fund under the  
5 continuing appropriation authority provided in Section 1.1 of  
6 the State Pension Funds Continuing Appropriation Act.

7 (b-2) Allocations from the Common School Fund apportioned  
8 to school districts not coming under this System shall not be  
9 diminished or affected by the provisions of this Article.

10 (b-3) For State fiscal years 2012 through 2045, the minimum  
11 contribution to the System to be made by the State for each  
12 fiscal year shall be an amount determined by the System to be  
13 sufficient to bring the total assets of the System up to 90% of  
14 the total actuarial liabilities of the System by the end of  
15 State fiscal year 2045. In making these determinations, the  
16 required State contribution shall be calculated each year as a  
17 level percentage of payroll over the years remaining to and  
18 including fiscal year 2045 and shall be determined under the  
19 projected unit credit actuarial cost method.

20 For each of State fiscal years 2018, 2019, and 2020, the  
21 State shall make an additional contribution to the System equal  
22 to 2% of the total payroll of each employee who is deemed to  
23 have elected the benefits under Section 1-161 or who has made  
24 the election under subsection (c) of Section 1-161.

25 A change in an actuarial or investment assumption that  
26 increases or decreases the required State contribution and

1 first applies in State fiscal year 2018 or thereafter shall be  
2 implemented in equal annual amounts over a 5-year period  
3 beginning in the State fiscal year in which the actuarial  
4 change first applies to the required State contribution.

5 A change in an actuarial or investment assumption that  
6 increases or decreases the required State contribution and  
7 first applied to the State contribution in fiscal year 2014,  
8 2015, 2016, or 2017 shall be implemented:

9 (i) as already applied in State fiscal years before  
10 2018; and

11 (ii) in the portion of the 5-year period beginning in  
12 the State fiscal year in which the actuarial change first  
13 applied that occurs in State fiscal year 2018 or  
14 thereafter, by calculating the change in equal annual  
15 amounts over that 5-year period and then implementing it at  
16 the resulting annual rate in each of the remaining fiscal  
17 years in that 5-year period.

18 For State fiscal years 1996 through 2005, the State  
19 contribution to the System, as a percentage of the applicable  
20 employee payroll, shall be increased in equal annual increments  
21 so that by State fiscal year 2011, the State is contributing at  
22 the rate required under this Section; except that in the  
23 following specified State fiscal years, the State contribution  
24 to the System shall not be less than the following indicated  
25 percentages of the applicable employee payroll, even if the  
26 indicated percentage will produce a State contribution in

1 excess of the amount otherwise required under this subsection  
2 and subsection (a), and notwithstanding any contrary  
3 certification made under subsection (a-1) before May 27, 1998  
4 (the effective date of Public Act 90-582): 10.02% in FY 1999;  
5 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86%  
6 in FY 2003; and 13.56% in FY 2004.

7 Notwithstanding any other provision of this Article, the  
8 total required State contribution for State fiscal year 2006 is  
9 \$534,627,700.

10 Notwithstanding any other provision of this Article, the  
11 total required State contribution for State fiscal year 2007 is  
12 \$738,014,500.

13 For each of State fiscal years 2008 through 2009, the State  
14 contribution to the System, as a percentage of the applicable  
15 employee payroll, shall be increased in equal annual increments  
16 from the required State contribution for State fiscal year  
17 2007, so that by State fiscal year 2011, the State is  
18 contributing at the rate otherwise required under this Section.

19 Notwithstanding any other provision of this Article, the  
20 total required State contribution for State fiscal year 2010 is  
21 \$2,089,268,000 and shall be made from the proceeds of bonds  
22 sold in fiscal year 2010 pursuant to Section 7.2 of the General  
23 Obligation Bond Act, less (i) the pro rata share of bond sale  
24 expenses determined by the System's share of total bond  
25 proceeds, (ii) any amounts received from the Common School Fund  
26 in fiscal year 2010, and (iii) any reduction in bond proceeds

1 due to the issuance of discounted bonds, if applicable.

2 Notwithstanding any other provision of this Article, the  
3 total required State contribution for State fiscal year 2011 is  
4 the amount recertified by the System on or before April 1, 2011  
5 pursuant to subsection (a-1) of this Section and shall be made  
6 from the proceeds of bonds sold in fiscal year 2011 pursuant to  
7 Section 7.2 of the General Obligation Bond Act, less (i) the  
8 pro rata share of bond sale expenses determined by the System's  
9 share of total bond proceeds, (ii) any amounts received from  
10 the Common School Fund in fiscal year 2011, and (iii) any  
11 reduction in bond proceeds due to the issuance of discounted  
12 bonds, if applicable. This amount shall include, in addition to  
13 the amount certified by the System, an amount necessary to meet  
14 employer contributions required by the State as an employer  
15 under paragraph (e) of this Section, which may also be used by  
16 the System for contributions required by paragraph (a) of  
17 Section 16-127.

18 Beginning in State fiscal year 2046, the minimum State  
19 contribution for each fiscal year shall be the amount needed to  
20 maintain the total assets of the System at 90% of the total  
21 actuarial liabilities of the System.

22 Amounts received by the System pursuant to Section 25 of  
23 the Budget Stabilization Act or Section 8.12 of the State  
24 Finance Act in any fiscal year do not reduce and do not  
25 constitute payment of any portion of the minimum State  
26 contribution required under this Article in that fiscal year.

1 Such amounts shall not reduce, and shall not be included in the  
2 calculation of, the required State contributions under this  
3 Article in any future year until the System has reached a  
4 funding ratio of at least 90%. A reference in this Article to  
5 the "required State contribution" or any substantially similar  
6 term does not include or apply to any amounts payable to the  
7 System under Section 25 of the Budget Stabilization Act.

8 Notwithstanding any other provision of this Section, the  
9 required State contribution for State fiscal year 2005 and for  
10 fiscal year 2008 and each fiscal year thereafter, as calculated  
11 under this Section and certified under subsection (a-1), shall  
12 not exceed an amount equal to (i) the amount of the required  
13 State contribution that would have been calculated under this  
14 Section for that fiscal year if the System had not received any  
15 payments under subsection (d) of Section 7.2 of the General  
16 Obligation Bond Act, minus (ii) the portion of the State's  
17 total debt service payments for that fiscal year on the bonds  
18 issued in fiscal year 2003 for the purposes of that Section  
19 7.2, as determined and certified by the Comptroller, that is  
20 the same as the System's portion of the total moneys  
21 distributed under subsection (d) of Section 7.2 of the General  
22 Obligation Bond Act. In determining this maximum for State  
23 fiscal years 2008 through 2010, however, the amount referred to  
24 in item (i) shall be increased, as a percentage of the  
25 applicable employee payroll, in equal increments calculated  
26 from the sum of the required State contribution for State

1 fiscal year 2007 plus the applicable portion of the State's  
2 total debt service payments for fiscal year 2007 on the bonds  
3 issued in fiscal year 2003 for the purposes of Section 7.2 of  
4 the General Obligation Bond Act, so that, by State fiscal year  
5 2011, the State is contributing at the rate otherwise required  
6 under this Section.

7 (b-4) Beginning in fiscal year 2018, each employer under  
8 this Article shall pay to the System a required contribution  
9 determined as a percentage of projected payroll and sufficient  
10 to produce an annual amount equal to:

11 (i) for each of fiscal years 2018, 2019, and 2020, the  
12 defined benefit normal cost of the defined benefit plan,  
13 less the employee contribution, for each employee of that  
14 employer who has elected or who is deemed to have elected  
15 the benefits under Section 1-161 or who has made the  
16 election under subsection (b) of Section 1-161; for fiscal  
17 year 2021 and each fiscal year thereafter, the defined  
18 benefit normal cost of the defined benefit plan, less the  
19 employee contribution, plus 2%, for each employee of that  
20 employer who has elected or who is deemed to have elected  
21 the benefits under Section 1-161 or who has made the  
22 election under subsection (b) of Section 1-161; plus

23 (ii) the amount required for that fiscal year to  
24 amortize any unfunded actuarial accrued liability  
25 associated with the present value of liabilities  
26 attributable to the employer's account under Section

1           16-158.3, determined as a level percentage of payroll over  
2           a 30-year rolling amortization period.

3           In determining contributions required under item (i) of  
4           this subsection, the System shall determine an aggregate rate  
5           for all employers, expressed as a percentage of projected  
6           payroll.

7           In determining the contributions required under item (ii)  
8           of this subsection, the amount shall be computed by the System  
9           on the basis of the actuarial assumptions and tables used in  
10          the most recent actuarial valuation of the System that is  
11          available at the time of the computation.

12          The contributions required under this subsection (b-4)  
13          shall be paid by an employer concurrently with that employer's  
14          payroll payment period. The State, as the actual employer of an  
15          employee, shall make the required contributions under this  
16          subsection.

17          (b-5) Beginning in fiscal year 2021, each employer under  
18          this Article shall pay a required contribution determined as a  
19          percentage of projected payroll and sufficient to produce an  
20          annual amount equal to:

21                 (1) for fiscal year 2021, the normal cost of each  
22                 member employed by the employer, other than a member  
23                 covered by subsection (b-4) of this Section, less the  
24                 employee contribution; and

25                 (2) for fiscal year 2022 and each fiscal year  
26                 thereafter, the amount required for that fiscal year to

1 amortize any unfunded actuarial accrued liability accrued  
2 from differences between estimated and actual normal cost  
3 rates paid by the employer determined as a level percentage  
4 of payroll over a 30-year rolling amortization period.

5 In determining the contributions required under item (1) of  
6 this subsection (b-5), the System shall determine an aggregate  
7 rate for all employers, expressed as a percentage of projected  
8 payroll. In determining contributions required under item (2)  
9 of this subsection (b-5), the amount shall be computed by the  
10 System on the basis of actuarial assumptions and tables used in  
11 the most recent actuarial valuation of the System that is  
12 available at the time of the computation. The contributions  
13 required under this subsection (b-5) shall be paid by the  
14 employer concurrently with that employer's payroll payment  
15 period. The State as the actual employer of an employee shall  
16 make the required contributions under this subsection (b-5).  
17 The System shall certify the required contribution of each  
18 employer under this Article pursuant to this subsection (b-5)  
19 and submit that certification and its aggregate rate for all  
20 employers to the State Superintendent of Education by February  
21 15th of each year or upon a date mutually agreed upon by the  
22 System and State Superintendent of Education. Nothing in this  
23 amendatory Act of the 101st General Assembly shall be construed  
24 to apply to or alter the existing contribution obligations on  
25 an employer of a teacher defined under paragraph (2), (3), (4),  
26 (5), (8), or (10) of Section 16-106 of this Code.

1           (c) Payment of the required State contributions and of all  
2 pensions, retirement annuities, death benefits, refunds, and  
3 other benefits granted under or assumed by this System, and all  
4 expenses in connection with the administration and operation  
5 thereof, are obligations of the State.

6           If members are paid from special trust or federal funds  
7 which are administered by the employing unit, whether school  
8 district or other unit, the employing unit shall pay to the  
9 System from such funds the full accruing retirement costs based  
10 upon that service, which, beginning July 1, 2017, shall be at a  
11 rate, expressed as a percentage of salary, equal to the total  
12 employer's normal cost, expressed as a percentage of payroll,  
13 as determined by the System. Employer contributions, based on  
14 salary paid to members from federal funds, may be forwarded by  
15 the distributing agency of the State of Illinois to the System  
16 prior to allocation, in an amount determined in accordance with  
17 guidelines established by such agency and the System. Any  
18 contribution for fiscal year 2015 collected as a result of the  
19 change made by Public Act 98-674 shall be considered a State  
20 contribution under subsection (b-3) of this Section.

21           (d) Effective July 1, 1986, any employer of a teacher as  
22 defined in paragraph (8) of Section 16-106 shall pay the  
23 employer's normal cost of benefits based upon the teacher's  
24 service, in addition to employee contributions, as determined  
25 by the System. Such employer contributions shall be forwarded  
26 monthly in accordance with guidelines established by the

1 System.

2 However, with respect to benefits granted under Section  
3 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
4 of Section 16-106, the employer's contribution shall be 12%  
5 (rather than 20%) of the member's highest annual salary rate  
6 for each year of creditable service granted, and the employer  
7 shall also pay the required employee contribution on behalf of  
8 the teacher. For the purposes of Sections 16-133.4 and  
9 16-133.5, a teacher as defined in paragraph (8) of Section  
10 16-106 who is serving in that capacity while on leave of  
11 absence from another employer under this Article shall not be  
12 considered an employee of the employer from which the teacher  
13 is on leave.

14 (e) Beginning July 1, 1998, every employer of a teacher  
15 shall pay to the System an employer contribution computed as  
16 follows:

17 (1) Beginning July 1, 1998 through June 30, 1999, the  
18 employer contribution shall be equal to 0.3% of each  
19 teacher's salary.

20 (2) Beginning July 1, 1999 and thereafter, the employer  
21 contribution shall be equal to 0.58% of each teacher's  
22 salary.

23 The school district or other employing unit may pay these  
24 employer contributions out of any source of funding available  
25 for that purpose and shall forward the contributions to the  
26 System on the schedule established for the payment of member

1 contributions.

2 These employer contributions are intended to offset a  
3 portion of the cost to the System of the increases in  
4 retirement benefits resulting from Public Act 90-582.

5 Each employer of teachers is entitled to a credit against  
6 the contributions required under this subsection (e) with  
7 respect to salaries paid to teachers for the period January 1,  
8 2002 through June 30, 2003, equal to the amount paid by that  
9 employer under subsection (a-5) of Section 6.6 of the State  
10 Employees Group Insurance Act of 1971 with respect to salaries  
11 paid to teachers for that period.

12 The additional 1% employee contribution required under  
13 Section 16-152 by Public Act 90-582 is the responsibility of  
14 the teacher and not the teacher's employer, unless the employer  
15 agrees, through collective bargaining or otherwise, to make the  
16 contribution on behalf of the teacher.

17 If an employer is required by a contract in effect on May  
18 1, 1998 between the employer and an employee organization to  
19 pay, on behalf of all its full-time employees covered by this  
20 Article, all mandatory employee contributions required under  
21 this Article, then the employer shall be excused from paying  
22 the employer contribution required under this subsection (e)  
23 for the balance of the term of that contract. The employer and  
24 the employee organization shall jointly certify to the System  
25 the existence of the contractual requirement, in such form as  
26 the System may prescribe. This exclusion shall cease upon the

1 termination, extension, or renewal of the contract at any time  
2 after May 1, 1998.

3 (f) If ~~June 4, 2018 (Public Act 100-587)~~ the amount of a  
4 teacher's salary for any school year used to determine final  
5 average salary exceeds the member's annual full-time salary  
6 rate with the same employer for the previous school year by  
7 more than 6%, the teacher's employer shall pay to the System,  
8 in addition to all other payments required under this Section  
9 and in accordance with guidelines established by the System,  
10 the present value of the increase in benefits resulting from  
11 the portion of the increase in salary that is in excess of 6%.  
12 This present value shall be computed by the System on the basis  
13 of the actuarial assumptions and tables used in the most recent  
14 actuarial valuation of the System that is available at the time  
15 of the computation. If a teacher's salary for the 2005-2006  
16 school year is used to determine final average salary under  
17 this subsection (f), then the changes made to this subsection  
18 (f) by Public Act 94-1057 shall apply in calculating whether  
19 the increase in his or her salary is in excess of 6%. For the  
20 purposes of this Section, change in employment under Section  
21 10-21.12 of the School Code on or after June 1, 2005 shall  
22 constitute a change in employer. The System may require the  
23 employer to provide any pertinent information or  
24 documentation. The changes made to this subsection (f) by  
25 Public Act 94-1111 apply without regard to whether the teacher  
26 was in service on or after its effective date.

1           Whenever it determines that a payment is or may be required  
2 under this subsection, the System shall calculate the amount of  
3 the payment and bill the employer for that amount. The bill  
4 shall specify the calculations used to determine the amount  
5 due. If the employer disputes the amount of the bill, it may,  
6 within 30 days after receipt of the bill, apply to the System  
7 in writing for a recalculation. The application must specify in  
8 detail the grounds of the dispute and, if the employer asserts  
9 that the calculation is subject to subsection (g) or (h) of  
10 this Section, must include an affidavit setting forth and  
11 attesting to all facts within the employer's knowledge that are  
12 pertinent to the applicability of that subsection. Upon  
13 receiving a timely application for recalculation, the System  
14 shall review the application and, if appropriate, recalculate  
15 the amount due.

16           The employer contributions required under this subsection  
17 (f) may be paid in the form of a lump sum within 90 days after  
18 receipt of the bill. If the employer contributions are not paid  
19 within 90 days after receipt of the bill, then interest will be  
20 charged at a rate equal to the System's annual actuarially  
21 assumed rate of return on investment compounded annually from  
22 the 91st day after receipt of the bill. Payments must be  
23 concluded within 3 years after the employer's receipt of the  
24 bill.

25           (f-1) (Blank). ~~June 4, 2018 (Public Act 100-587)~~

26           (g) This subsection (g) applies only to payments made or

1 salary increases given on or after June 1, 2005 but before July  
2 1, 2011. The changes made by Public Act 94-1057 shall not  
3 require the System to refund any payments received before July  
4 31, 2006 (the effective date of Public Act 94-1057).

5 When assessing payment for any amount due under subsection  
6 (f), the System shall exclude salary increases paid to teachers  
7 under contracts or collective bargaining agreements entered  
8 into, amended, or renewed before June 1, 2005.

9 When assessing payment for any amount due under subsection  
10 (f), the System shall exclude salary increases paid to a  
11 teacher at a time when the teacher is 10 or more years from  
12 retirement eligibility under Section 16-132 or 16-133.2.

13 When assessing payment for any amount due under subsection  
14 (f), the System shall exclude salary increases resulting from  
15 overload work, including summer school, when the school  
16 district has certified to the System, and the System has  
17 approved the certification, that (i) the overload work is for  
18 the sole purpose of classroom instruction in excess of the  
19 standard number of classes for a full-time teacher in a school  
20 district during a school year and (ii) the salary increases are  
21 equal to or less than the rate of pay for classroom instruction  
22 computed on the teacher's current salary and work schedule.

23 When assessing payment for any amount due under subsection  
24 (f), the System shall exclude a salary increase resulting from  
25 a promotion (i) for which the employee is required to hold a  
26 certificate or supervisory endorsement issued by the State

1 Teacher Certification Board that is a different certification  
2 or supervisory endorsement than is required for the teacher's  
3 previous position and (ii) to a position that has existed and  
4 been filled by a member for no less than one complete academic  
5 year and the salary increase from the promotion is an increase  
6 that results in an amount no greater than the lesser of the  
7 average salary paid for other similar positions in the district  
8 requiring the same certification or the amount stipulated in  
9 the collective bargaining agreement for a similar position  
10 requiring the same certification.

11 When assessing payment for any amount due under subsection  
12 (f), the System shall exclude any payment to the teacher from  
13 the State of Illinois or the State Board of Education over  
14 which the employer does not have discretion, notwithstanding  
15 that the payment is included in the computation of final  
16 average salary.

17 (h) When assessing payment for any amount due under  
18 subsection (f), the System shall exclude any salary increase  
19 described in subsection (g) of this Section given on or after  
20 July 1, 2011 but before July 1, 2014 under a contract or  
21 collective bargaining agreement entered into, amended, or  
22 renewed on or after June 1, 2005 but before July 1, 2011.  
23 Notwithstanding any other provision of this Section, any  
24 payments made or salary increases given after June 30, 2014  
25 shall be used in assessing payment for any amount due under  
26 subsection (f) of this Section.

1           (i) The System shall prepare a report and file copies of  
2 the report with the Governor and the General Assembly by  
3 January 1, 2007 that contains all of the following information:

4           (1) The number of recalculations required by the  
5 changes made to this Section by Public Act 94-1057 for each  
6 employer.

7           (2) The dollar amount by which each employer's  
8 contribution to the System was changed due to  
9 recalculations required by Public Act 94-1057.

10           (3) The total amount the System received from each  
11 employer as a result of the changes made to this Section by  
12 Public Act 94-4.

13           (4) The increase in the required State contribution  
14 resulting from the changes made to this Section by Public  
15 Act 94-1057.

16           (i-5) For school years beginning on or after July 1, 2017,  
17 if the amount of a participant's salary for any school year  
18 exceeds the amount of the salary set for the Governor, the  
19 participant's employer shall pay to the System, in addition to  
20 all other payments required under this Section and in  
21 accordance with guidelines established by the System, an amount  
22 determined by the System to be equal to the employer normal  
23 cost, as established by the System and expressed as a total  
24 percentage of payroll, multiplied by the amount of salary in  
25 excess of the amount of the salary set for the Governor. This  
26 amount shall be computed by the System on the basis of the

1 actuarial assumptions and tables used in the most recent  
2 actuarial valuation of the System that is available at the time  
3 of the computation. The System may require the employer to  
4 provide any pertinent information or documentation.

5 Whenever it determines that a payment is or may be required  
6 under this subsection, the System shall calculate the amount of  
7 the payment and bill the employer for that amount. The bill  
8 shall specify the calculations used to determine the amount  
9 due. If the employer disputes the amount of the bill, it may,  
10 within 30 days after receipt of the bill, apply to the System  
11 in writing for a recalculation. The application must specify in  
12 detail the grounds of the dispute. Upon receiving a timely  
13 application for recalculation, the System shall review the  
14 application and, if appropriate, recalculate the amount due.

15 The employer contributions required under this subsection  
16 may be paid in the form of a lump sum within 90 days after  
17 receipt of the bill. If the employer contributions are not paid  
18 within 90 days after receipt of the bill, then interest will be  
19 charged at a rate equal to the System's annual actuarially  
20 assumed rate of return on investment compounded annually from  
21 the 91st day after receipt of the bill. Payments must be  
22 concluded within 3 years after the employer's receipt of the  
23 bill.

24 (j) For purposes of determining the required State  
25 contribution to the System, the value of the System's assets  
26 shall be equal to the actuarial value of the System's assets,

1 which shall be calculated as follows:

2 As of June 30, 2008, the actuarial value of the System's  
3 assets shall be equal to the market value of the assets as of  
4 that date. In determining the actuarial value of the System's  
5 assets for fiscal years after June 30, 2008, any actuarial  
6 gains or losses from investment return incurred in a fiscal  
7 year shall be recognized in equal annual amounts over the  
8 5-year period following that fiscal year.

9 (k) For purposes of determining the required State  
10 contribution to the system for a particular year, the actuarial  
11 value of assets shall be assumed to earn a rate of return equal  
12 to the system's actuarially assumed rate of return.

13 (Source: P.A. 100-23, eff. 7-6-17; 100-340, eff. 8-25-17;  
14 100-587, eff. 6-4-18; 100-624, eff. 7-20-18; 100-863, eff.  
15 8-14-18; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; revised  
16 8-13-19.)

17 (40 ILCS 5/17-127) (from Ch. 108 1/2, par. 17-127)

18 Sec. 17-127. Financing; revenues for the Fund.

19 (a) The revenues for the Fund shall consist of: (1) amounts  
20 paid into the Fund by contributors thereto and from employer  
21 contributions and State appropriations in accordance with this  
22 Article; (2) amounts contributed to the Fund by an Employer;  
23 (3) amounts contributed to the Fund pursuant to any law now in  
24 force or hereafter to be enacted; (4) contributions from any  
25 other source; and (5) the earnings on investments.

1           (b) The General Assembly finds that for many years the  
2 State has contributed to the Fund an annual amount that is  
3 between 20% and 30% of the amount of the annual State  
4 contribution to the Article 16 retirement system, and the  
5 General Assembly declares that it is its goal and intention to  
6 continue this level of contribution to the Fund in the future.

7           (c) Beginning in State fiscal year 1999, the State shall  
8 include in its annual contribution to the Fund an additional  
9 amount equal to 0.544% of the Fund's total teacher payroll;  
10 except that this additional contribution need not be made in a  
11 fiscal year if the Board has certified in the previous fiscal  
12 year that the Fund is at least 90% funded, based on actuarial  
13 determinations. These additional State contributions are  
14 intended to offset a portion of the cost to the Fund of the  
15 increases in retirement benefits resulting from this  
16 amendatory Act of 1998.

17           (d) In addition to any other contribution required under  
18 this Article, including the contribution required under  
19 subsection (c), the State shall contribute to the Fund the  
20 following amounts:

21           (1) For State fiscal year 2018, the State shall  
22 contribute \$221,300,000 for the employer normal cost for  
23 fiscal year 2018 and the amount allowed under paragraph (3)  
24 of Section 17-142.1 of this Code to defray health insurance  
25 costs. Funds for this paragraph (1) shall come from funds  
26 appropriated for Evidence-Based Funding pursuant to

1 Section 18-8.15 of the School Code.

2 (2) Beginning in State fiscal year 2019 through State  
3 fiscal year 2020, the State shall contribute for each  
4 fiscal year an amount to be determined by the Fund, equal  
5 to the employer normal cost for that fiscal year, plus the  
6 amount allowed pursuant to paragraph (3) of Section  
7 17-142.1 to defray health insurance costs. Beginning in  
8 State fiscal year 2021, the State shall contribute for each  
9 fiscal year an amount to be determined by the Fund equal to  
10 the amount allowed pursuant to paragraph (3) of Section  
11 17-142.1 to defray health insurance costs.

12 (e) The Board shall determine the amount of State  
13 contributions required for each fiscal year on the basis of the  
14 actuarial tables and other assumptions adopted by the Board and  
15 the recommendations of the actuary. On or before November 1 of  
16 each year, beginning November 1, 2017, the Board shall submit  
17 to the State Actuary, the Governor, and the General Assembly a  
18 proposed certification of the amount of the required State  
19 contribution to the Fund for the next fiscal year, along with  
20 all of the actuarial assumptions, calculations, and data upon  
21 which that proposed certification is based.

22 On or before January 1 of each year, beginning January 1,  
23 2018, the State Actuary shall issue a preliminary report  
24 concerning the proposed certification and identifying, if  
25 necessary, recommended changes in actuarial assumptions that  
26 the Board must consider before finalizing its certification of

1 the required State contributions.

2 (f) On or before January 15, 2018 and each January 15  
3 thereafter, the Board shall certify to the Governor and the  
4 General Assembly the amount of the required State contribution  
5 for the next fiscal year. The certification shall include a  
6 copy of the actuarial recommendations upon which it is based  
7 and shall specifically identify the Fund's projected employer  
8 normal cost for that fiscal year. The Board's certification  
9 must note any deviations from the State Actuary's recommended  
10 changes, the reason or reasons for not following the State  
11 Actuary's recommended changes, and the fiscal impact of not  
12 following the State Actuary's recommended changes on the  
13 required State contribution.

14 For the purposes of this Article, including issuing  
15 vouchers, and for the purposes of subsection (h) of Section 1.1  
16 of the State Pension Funds Continuing Appropriation Act, the  
17 State contribution specified for State fiscal year 2018 shall  
18 be deemed to have been certified, by operation of law and  
19 without official action by the Board or the State Actuary, in  
20 the amount provided in subsection (c) and subsection (d) of  
21 this Section.

22 (g) For State fiscal year 2018, the State Board of  
23 Education shall submit vouchers, as directed by the Board, for  
24 payment of State contributions to the Fund for the required  
25 annual State contribution under subsection (d) of this Section.  
26 These vouchers shall be paid by the State Comptroller and

1 Treasurer by warrants drawn on the amount appropriated to the  
2 State Board of Education from the Common School Fund in Section  
3 5 of Article 97 of Public Act 100-21. If State appropriations  
4 for State fiscal year 2018 are less than the amount lawfully  
5 vouchered under this subsection, the difference shall be paid  
6 from the Common School Fund under the continuing appropriation  
7 authority provided in Section 1.1 of the State Pension Funds  
8 Continuing Appropriation Act.

9 (h) For State fiscal year 2018, the Board shall submit  
10 vouchers for the payment of State contributions to the Fund for  
11 the required annual State contribution under subsection (c) of  
12 this Section. Beginning in State fiscal year 2019, the Board  
13 shall submit vouchers for payment of State contributions to the  
14 Fund for the required annual State contribution under  
15 subsections (c) and (d) of this Section. These vouchers shall  
16 be paid by the State Comptroller and Treasurer by warrants  
17 drawn on the funds appropriated to the Fund for that fiscal  
18 year. If State appropriations to the Fund for the applicable  
19 fiscal year are less than the amount lawfully vouchered under  
20 this subsection, the difference shall be paid from the Common  
21 School Fund under the continuing appropriation authority  
22 provided in Section 1.1 of the State Pension Funds Continuing  
23 Appropriation Act.

24 (i) The Board shall determine the amount of employer normal  
25 cost to be paid by the Board of Education for its contributors,  
26 members, and teachers participating in the Fund each fiscal

1 year on the basis of the actuarial tables and other assumptions  
2 adopted by the Board and the recommendations of the actuary.  
3 The Board of Education shall contribute the amount certified by  
4 the Board as its employer normal cost to the Fund pursuant to  
5 Section 17-129 of this Code.

6 On or before November 1 of each year, the Board shall  
7 submit to the State Actuary, the Governor, and the General  
8 Assembly a proposed certification of the amount of the required  
9 Board of Education employer normal cost contributions to the  
10 Fund for the next fiscal year, along with all of the actuarial  
11 assumptions, calculations, and data upon which that proposed  
12 certification is based.

13 On or before January 1 of each year, the State Actuary  
14 shall issue a preliminary report concerning the proposed  
15 certification and identifying, if necessary, recommended  
16 changes in actuarial assumptions that the Board must consider  
17 before finalizing its certification of the required State  
18 contributions.

19 (j) On or before January 15 of each year, the Board shall  
20 certify to the Governor and the General Assembly the amount of  
21 the Board of Education's employer normal cost contribution for  
22 the next fiscal year. The certification shall include a copy of  
23 the actuarial recommendations upon which it is based and shall  
24 specifically identify the Fund's projected employer normal  
25 cost for that fiscal year. The Board's certification must note  
26 any deviations from the State Actuary's recommended changes,

1 the reason or reasons for not following the State Actuary's  
2 recommended changes, and the fiscal impact of not following the  
3 State Actuary's recommended changes on the required State  
4 contribution.

5 (k) Beginning in State fiscal year 2021, the Board shall  
6 submit vouchers for the payment of the amount equal to the  
7 employer normal cost contributions made by the Board of  
8 Education pursuant to Section 17-129 of this Code as determined  
9 by the Board under subsection (i) of this Section. These  
10 vouchers shall be paid by the State Comptroller and State  
11 Treasurer by warrants drawn on the funds appropriated to the  
12 State Board of Education for that fiscal year, and the State  
13 Board of Education shall distribute the funds it receives  
14 pursuant to the provisions of subsection (e) of Section 18-8.15  
15 of the School Code. If State appropriations to the State Board  
16 of Education for the applicable fiscal year are less than the  
17 amount lawfully vouchered under this subsection (k), the  
18 difference shall be paid from the Common School Fund under the  
19 continuing appropriation authority provided in Section 1.1 of  
20 the State Pension Funds Continuing Appropriation Act.

21 (Source: P.A. 100-465, eff. 8-31-17.)

22 (40 ILCS 5/17-129) (from Ch. 108 1/2, par. 17-129)

23 Sec. 17-129. Employer contributions; deficiency in Fund.

24 (a) If in any fiscal year of the Board of Education ending  
25 prior to 1997 the total amounts paid to the Fund from the Board

1 of Education (other than under this subsection, and other than  
2 amounts used for making or "picking up" contributions on behalf  
3 of teachers) and from the State do not equal the total  
4 contributions made by or on behalf of the teachers for such  
5 year, or if the total income of the Fund in any such fiscal  
6 year of the Board of Education from all sources is less than  
7 the total such expenditures by the Fund for such year, the  
8 Board of Education shall, in the next succeeding year, in  
9 addition to any other payment to the Fund set apart and  
10 appropriate from moneys from its tax levy for educational  
11 purposes, a sum sufficient to remove such deficiency or  
12 deficiencies, and promptly pay such sum into the Fund in order  
13 to restore any of the reserves of the Fund that may have been  
14 so temporarily applied. Any amounts received by the Fund after  
15 December 4, 1997 from State appropriations, including under  
16 Section 17-127, shall be a credit against and shall fully  
17 satisfy any obligation that may have arisen, or be claimed to  
18 have arisen, under this subsection (a) as a result of any  
19 deficiency or deficiencies in the fiscal year of the Board of  
20 Education ending in calendar year 1997.

21 (b) (i) Notwithstanding any other provision of this  
22 Section, and notwithstanding any prior certification by the  
23 Board under subsection (c) for fiscal year 2011, the Board of  
24 Education's total required contribution to the Fund for fiscal  
25 year 2011 under this Section is \$187,000,000.

26 (ii) Notwithstanding any other provision of this Section,

1 the Board of Education's total required contribution to the  
2 Fund for fiscal year 2012 under this Section is \$192,000,000.

3 (iii) Notwithstanding any other provision of this Section,  
4 the Board of Education's total required contribution to the  
5 Fund for fiscal year 2013 under this Section is \$196,000,000.

6 (iv) For fiscal years 2014 through 2059, the minimum  
7 contribution to the Fund to be made by the Board of Education  
8 in each fiscal year shall be an amount determined by the Fund  
9 to be sufficient to bring the total assets of the Fund up to  
10 90% of the total actuarial liabilities of the Fund by the end  
11 of fiscal year 2059, including, beginning with fiscal year  
12 2021, an amount equal to the Board of Education's employer  
13 normal cost as determined by the Fund pursuant to subsection  
14 (i) of Section 17-127 of this Code. In making these  
15 determinations, the required Board of Education contribution  
16 shall be calculated each year as a level percentage of the  
17 applicable employee payrolls over the years remaining to and  
18 including fiscal year 2059 and shall be determined under the  
19 projected unit credit actuarial cost method.

20 (v) Beginning in fiscal year 2060, the minimum Board of  
21 Education contribution for each fiscal year shall be the amount  
22 needed to maintain the total assets of the Fund at 90% of the  
23 total actuarial liabilities of the Fund.

24 (vi) Notwithstanding any other provision of this  
25 subsection (b), for any fiscal year, the contribution to the  
26 Fund from the Board of Education shall not be required to be in

1 excess of the amount calculated as needed to maintain the  
2 assets (or cause the assets to be) at the 90% level by the end  
3 of the fiscal year.

4 (vii) Any contribution by the State to or for the benefit  
5 of the Fund, including, without limitation, as referred to  
6 under Section 17-127, shall be a credit against any  
7 contribution required to be made by the Board of Education  
8 under this subsection (b).

9 (c) The Board shall determine the amount of Board of  
10 Education contributions required for each fiscal year on the  
11 basis of the actuarial tables and other assumptions adopted by  
12 the Board and the recommendations of the actuary, in order to  
13 meet the minimum contribution requirements of subsections (a)  
14 and (b). Annually, on or before February 28, the Board shall  
15 certify to the Board of Education the amount of the required  
16 Board of Education contribution for the coming fiscal year. The  
17 certification shall include a copy of the actuarial  
18 recommendations upon which it is based.

19 (Source: P.A. 96-889, eff. 4-14-10.)

20 Section 10. The State Pension Funds Continuing  
21 Appropriation Act is amended by changing Section 1.1 and by  
22 adding Section 1.10 as follows:

23 (40 ILCS 15/1.1)

24 Sec. 1.1. Appropriations to certain retirement systems.

1           (a) There is hereby appropriated from the General Revenue  
2 Fund to the General Assembly Retirement System, on a continuing  
3 monthly basis, the amount, if any, by which the total available  
4 amount of all other appropriations to that retirement system  
5 for the payment of State contributions is less than the total  
6 amount of the vouchers for required State contributions  
7 lawfully submitted by the retirement system for that month  
8 under Section 2-134 of the Illinois Pension Code.

9           (b) There is hereby appropriated from the General Revenue  
10 Fund to the State Universities Retirement System, on a  
11 continuing monthly basis, the amount, if any, by which the  
12 total available amount of all other appropriations to that  
13 retirement system for the payment of State contributions,  
14 including any deficiency in the required contributions of the  
15 optional retirement program established under Section 15-158.2  
16 of the Illinois Pension Code, is less than the total amount of  
17 the vouchers for required State contributions lawfully  
18 submitted by the retirement system for that month under Section  
19 15-165 of the Illinois Pension Code.

20           (c) There is hereby appropriated from the Common School  
21 Fund to the Teachers' Retirement System of the State of  
22 Illinois, on a continuing monthly basis, the amount, if any, by  
23 which the total available amount of all other appropriations to  
24 that retirement system for the payment of State contributions  
25 is less than the total amount of the vouchers for required  
26 State contributions lawfully submitted by the retirement

1 system for that month under Section 16-158 of the Illinois  
2 Pension Code.

3 (d) There is hereby appropriated from the General Revenue  
4 Fund to the Judges Retirement System of Illinois, on a  
5 continuing monthly basis, the amount, if any, by which the  
6 total available amount of all other appropriations to that  
7 retirement system for the payment of State contributions is  
8 less than the total amount of the vouchers for required State  
9 contributions lawfully submitted by the retirement system for  
10 that month under Section 18-140 of the Illinois Pension Code.

11 (e) The continuing appropriations provided by subsections  
12 (a), (b), (c), and (d) of this Section shall first be available  
13 in State fiscal year 1996. The continuing appropriations  
14 provided by subsection (h) of this Section shall first be  
15 available as provided in that subsection (h).

16 (f) For State fiscal year 2010 only, the continuing  
17 appropriations provided by this Section are equal to the amount  
18 certified by each System on or before December 31, 2008, less  
19 (i) the gross proceeds of the bonds sold in fiscal year 2010  
20 under the authorization contained in subsection (a) of Section  
21 7.2 of the General Obligation Bond Act and (ii) any amounts  
22 received from the State Pensions Fund.

23 (g) For State fiscal year 2011 only, the continuing  
24 appropriations provided by this Section are equal to the amount  
25 certified by each System on or before April 1, 2011, less (i)  
26 the gross proceeds of the bonds sold in fiscal year 2011 under

1 the authorization contained in subsection (a) of Section 7.2 of  
2 the General Obligation Bond Act and (ii) any amounts received  
3 from the State Pensions Fund.

4 (h) There is hereby appropriated from the Common School  
5 Fund to the Public School Teachers' Pension and Retirement Fund  
6 of Chicago, on a continuing basis, the amount, if any, by which  
7 the total available amount of all other State appropriations to  
8 that Retirement Fund for the payment of State contributions  
9 under Section 17-127 of the Illinois Pension Code is less than  
10 the total amount of the vouchers for required State  
11 contributions lawfully submitted by the Retirement Fund or the  
12 State Board of Education, under that Section 17-127.

13 (i) There is hereby appropriated from the Common School  
14 Fund to the State Board of Education, on a continuing annual  
15 basis in each State fiscal year beginning with State fiscal  
16 year 2021, the amount certified by the Public School Teachers'  
17 Pension and Retirement Fund of Chicago pursuant to subsection  
18 (i) of Section 17-127 of the Illinois Pension Code for the  
19 employer normal cost paid or owed by the board of education of  
20 a school district organized under Article 34 of the School  
21 Code; provided that the amount appropriated under this  
22 subsection (i) after State fiscal year 2021 shall be no less  
23 than the amount appropriated in State fiscal year 2021. The  
24 State Board of Education shall distribute the certified amount  
25 it receives under this subsection (i) pursuant to the  
26 provisions of subsection (e) of Section 18-8.15 of the School

1 Code.

2 (Source: P.A. 100-465, eff. 8-31-17.)

3 (40 ILCS 15/1.10 new)

4 Sec. 1.10. Accelerating Equity appropriations to school  
5 districts. There is hereby appropriated from the Common School  
6 Fund to the State Board of Education, on a continuing annual  
7 basis in each State fiscal year beginning with State fiscal  
8 year 2021, the amount certified by the Teachers' Retirement  
9 System of the State of Illinois pursuant to subsection (b-5) of  
10 Section 16-158 of the Illinois Pension Code; provided that the  
11 amount appropriated under this Section after State fiscal year  
12 2021 shall be no less than the amount appropriated in State  
13 fiscal year 2021. The State Board of Education shall distribute  
14 the certified amount it receives under this Section pursuant to  
15 the provisions of subsection (e) of Section 18-8.15 of the  
16 School Code.

17 Section 15. The School Code is amended by changing Section  
18 18-8.15 as follows:

19 (105 ILCS 5/18-8.15)

20 Sec. 18-8.15. Evidence-Based Funding ~~Evidence-based~~  
21 ~~funding~~ for student success for the 2017-2018 and subsequent  
22 school years.

23 (a) General provisions.

1           (1) The purpose of this Section is to ensure that, by  
2           June 30, 2027 and beyond, this State has a kindergarten  
3           through grade 12 public education system with the capacity  
4           to ensure the educational development of all persons to the  
5           limits of their capacities in accordance with Section 1 of  
6           Article X of the Constitution of the State of Illinois. To  
7           accomplish that objective, this Section creates a method of  
8           funding public education that is evidence-based; is  
9           sufficient to ensure every student receives a meaningful  
10          opportunity to learn irrespective of race, ethnicity,  
11          sexual orientation, gender, or community-income level; and  
12          is sustainable and predictable. When fully funded under  
13          this Section, every school shall have the resources, based  
14          on what the evidence indicates is needed, to:

15                 (A) provide all students with a high quality  
16                 education that offers the academic, enrichment, social  
17                 and emotional support, technical, and career-focused  
18                 programs that will allow them to become competitive  
19                 workers, responsible parents, productive citizens of  
20                 this State, and active members of our national  
21                 democracy;

22                 (B) ensure all students receive the education they  
23                 need to graduate from high school with the skills  
24                 required to pursue post-secondary education and  
25                 training for a rewarding career;

26                 (C) reduce, with a goal of eliminating, the

1 achievement gap between at-risk and non-at-risk  
2 students by raising the performance of at-risk  
3 students and not by reducing standards; and

4 (D) ensure this State satisfies its obligation to  
5 assume the primary responsibility to fund public  
6 education and simultaneously relieve the  
7 disproportionate burden placed on local property taxes  
8 to fund schools.

9 (2) The Evidence-Based Funding ~~evidence based funding~~  
10 formula under this Section shall be applied to all  
11 Organizational Units in this State. The Evidence-Based  
12 Funding ~~evidence based funding~~ formula outlined in this  
13 Section ~~Act~~ is based on the formula outlined in Senate Bill  
14 1 of the 100th General Assembly, as passed by both  
15 legislative chambers. As further defined and described in  
16 this Section, there are 4 major components of the  
17 Evidence-Based Funding ~~evidence based funding~~ model:

18 (A) First, the model calculates a unique Adequacy  
19 Target ~~adequacy target~~ for each Organizational Unit in  
20 this State that considers the costs to implement  
21 research-based activities, the unit's student  
22 demographics, and regional wage differences  
23 ~~difference~~.

24 (B) Second, the model calculates each  
25 Organizational Unit's Local Capacity ~~local capacity~~,  
26 or the amount each Organizational Unit is assumed to

1 contribute toward ~~towards~~ its Adequacy Target ~~adequacy~~  
2 ~~target~~ from local resources.

3 (C) Third, the model calculates how much funding  
4 the State currently contributes to the Organizational  
5 Unit, and adds that to the unit's Local Capacity ~~local~~  
6 ~~capacity~~ to determine the unit's overall current  
7 adequacy of funding.

8 (D) Finally, the model's distribution method  
9 allocates new State funding to those Organizational  
10 Units that are least well-funded, considering both  
11 Local Capacity ~~local capacity~~ and State funding, in  
12 relation to their Adequacy Target ~~adequacy target~~.

13 (3) An Organizational Unit receiving any funding under  
14 this Section may apply those funds to any fund so received  
15 for which that Organizational Unit is authorized to make  
16 expenditures by law.

17 (4) As used in this Section, the following terms shall  
18 have the meanings ascribed in this paragraph (4):

19 "Adequacy Target" is defined in paragraph (1) of  
20 subsection (b) of this Section.

21 "Adjusted EAV" is defined in paragraph (4) of  
22 subsection (d) of this Section.

23 "Adjusted Local Capacity Target" is defined in  
24 paragraph (3) of subsection (c) of this Section.

25 "Adjusted Operating Tax Rate" means a tax rate for all  
26 Organizational Units, for which the State Superintendent

1 shall calculate and subtract for the Operating Tax Rate a  
2 transportation rate based on total expenses for  
3 transportation services under this Code, as reported on the  
4 most recent Annual Financial Report in Pupil  
5 Transportation Services, function 2550 in both the  
6 Education and Transportation funds and functions 4110 and  
7 4120 in the Transportation fund, less any corresponding  
8 fiscal year State of Illinois scheduled payments excluding  
9 net adjustments for prior years for regular, vocational, or  
10 special education transportation reimbursement pursuant to  
11 Section 29-5 or subsection (b) of Section 14-13.01 of this  
12 Code divided by the Adjusted EAV. If an Organizational  
13 Unit's corresponding fiscal year State of Illinois  
14 scheduled payments excluding net adjustments for prior  
15 years for regular, vocational, or special education  
16 transportation reimbursement pursuant to Section 29-5 or  
17 subsection (b) of Section 14-13.01 of this Code exceed the  
18 total transportation expenses, as defined in this  
19 paragraph, no transportation rate shall be subtracted from  
20 the Operating Tax Rate.

21 "Allocation Rate" is defined in paragraph (3) of  
22 subsection (g) of this Section.

23 "Alternative School" means a public school that is  
24 created and operated by a regional superintendent of  
25 schools and approved by the State Board.

26 "Applicable Tax Rate" is defined in paragraph (1) of

1 subsection (d) of this Section.

2 "Assessment" means any of those benchmark, progress  
3 monitoring, formative, diagnostic, and other assessments,  
4 in addition to the State accountability assessment, that  
5 assist teachers' needs in understanding the skills and  
6 meeting the needs of the students they serve.

7 "Assistant principal" means a school administrator  
8 duly endorsed to be employed as an assistant principal in  
9 this State.

10 "At-risk student" means a student who is at risk of not  
11 meeting the Illinois Learning Standards or not graduating  
12 from elementary or high school and who demonstrates a need  
13 for vocational support or social services beyond that  
14 provided by the regular school program. All students  
15 included in an Organizational Unit's Low-Income Count, as  
16 well as all English learner and disabled students attending  
17 the Organizational Unit, shall be considered at-risk  
18 students under this Section.

19 "Average Student Enrollment" or "ASE" for fiscal year  
20 2018 means, for an Organizational Unit, the greater of the  
21 average number of students (grades K through 12) reported  
22 to the State Board as enrolled in the Organizational Unit  
23 on October 1 in the immediately preceding school year, plus  
24 the pre-kindergarten students who receive special  
25 education services of 2 or more hours a day as reported to  
26 the State Board on December 1 in the immediately preceding

1 school year, or the average number of students (grades K  
2 through 12) reported to the State Board as enrolled in the  
3 Organizational Unit on October 1, plus the  
4 pre-kindergarten students who receive special education  
5 services of 2 or more hours a day as reported to the State  
6 Board on December 1, for each of the immediately preceding  
7 3 school years. For fiscal year 2019 and each subsequent  
8 fiscal year, "Average Student Enrollment" or "ASE" means,  
9 for an Organizational Unit, the greater of the average  
10 number of students (grades K through 12) reported to the  
11 State Board as enrolled in the Organizational Unit on  
12 October 1 and March 1 in the immediately preceding school  
13 year, plus the pre-kindergarten students who receive  
14 special education services as reported to the State Board  
15 on October 1 and March 1 in the immediately preceding  
16 school year, or the average number of students (grades K  
17 through 12) reported to the State Board as enrolled in the  
18 Organizational Unit on October 1 and March 1, plus the  
19 pre-kindergarten students who receive special education  
20 services as reported to the State Board on October 1 and  
21 March 1, for each of the immediately preceding 3 school  
22 years. For the purposes of this definition, "enrolled in  
23 the Organizational Unit" means the number of students  
24 reported to the State Board who are enrolled in schools  
25 within the Organizational Unit that the student attends or  
26 would attend if not placed or transferred to another school

1 or program to receive needed services. For the purposes of  
2 calculating "ASE", all students, grades K through 12,  
3 excluding those attending kindergarten for a half day and  
4 students attending an alternative education program  
5 operated by a regional office of education or intermediate  
6 service center, shall be counted as 1.0. All students  
7 attending kindergarten for a half day shall be counted as  
8 0.5, unless in 2017 by June 15 or by March 1 in subsequent  
9 years, the school district reports to the State Board of  
10 Education the intent to implement full-day kindergarten  
11 district-wide for all students, then all students  
12 attending kindergarten shall be counted as 1.0. Special  
13 education pre-kindergarten students shall be counted as  
14 0.5 each. If the State Board does not collect or has not  
15 collected both an October 1 and March 1 enrollment count by  
16 grade or a December 1 collection of special education  
17 pre-kindergarten students as of August 31, 2017 (the  
18 effective date of Public Act 100-465) ~~this amendatory Act~~  
19 ~~of the 100th General Assembly~~, it shall establish such  
20 collection for all future years. For any year in which  
21 ~~where~~ a count by grade level was collected only once, that  
22 count shall be used as the single count available for  
23 computing a 3-year average ASE. Funding for programs  
24 operated by a regional office of education or an  
25 intermediate service center must be calculated using the  
26 Evidence-Based Funding ~~evidence based funding~~ formula

1 under this Section for the 2019-2020 school year and each  
2 subsequent school year until separate adequacy formulas  
3 are developed and adopted for each type of program. ASE for  
4 a program operated by a regional office of education or an  
5 intermediate service center must be determined by the March  
6 1 enrollment for the program. For the 2019-2020 school  
7 year, the ASE used in the calculation must be the  
8 first-year ASE and, in that year only, the assignment of  
9 students served by a regional office of education or  
10 intermediate service center shall not result in a reduction  
11 of the March enrollment for any school district. For the  
12 2020-2021 school year, the ASE must be the greater of the  
13 current-year ASE or the 2-year average ASE. Beginning with  
14 the 2021-2022 school year, the ASE must be the greater of  
15 the current-year ASE or the 3-year average ASE. School  
16 districts shall submit the data for the ASE calculation to  
17 the State Board within 45 days of the dates required in  
18 this Section for submission of enrollment data in order for  
19 it to be included in the ASE calculation. For fiscal year  
20 2018 only, the ASE calculation shall include only  
21 enrollment taken on October 1.

22 "Base Funding Guarantee" is defined in paragraph (10)  
23 of subsection (g) of this Section.

24 "Base Funding Minimum" is defined in subsection (e) of  
25 this Section.

26 "Base Tax Year" means the property tax levy year used

1 to calculate the Budget Year allocation of primary State  
2 aid.

3 "Base Tax Year's Extension" means the product of the  
4 equalized assessed valuation utilized by the county clerk  
5 in the Base Tax Year multiplied by the limiting rate as  
6 calculated by the county clerk and defined in PTELL.

7 "Bilingual Education Allocation" means the amount of  
8 an Organizational Unit's final Adequacy Target  
9 attributable to bilingual education divided by the  
10 Organizational Unit's final Adequacy Target, the product  
11 of which shall be multiplied by the amount of new funding  
12 received pursuant to this Section. An Organizational  
13 Unit's final Adequacy Target attributable to bilingual  
14 education shall include all additional investments in  
15 English learner students' adequacy elements.

16 "Budget Year" means the school year for which primary  
17 State aid is calculated and awarded under this Section.

18 "Central office" means individual administrators and  
19 support service personnel charged with managing the  
20 instructional programs, business and operations, and  
21 security of the Organizational Unit.

22 "Comparable Wage Index" or "CWI" means a regional cost  
23 differentiation metric that measures systemic, regional  
24 variations in the salaries of college graduates who are not  
25 educators. The CWI utilized for this Section shall, for the  
26 first 3 years of Evidence-Based Funding implementation, be

1 the CWI initially developed by the National Center for  
2 Education Statistics, as most recently updated by Texas A &  
3 M University. In the fourth and subsequent years of  
4 Evidence-Based Funding implementation, the State  
5 Superintendent shall re-determine the CWI using a similar  
6 methodology to that identified in the Texas A & M  
7 University study, with adjustments made no less frequently  
8 than once every 5 years.

9 "Computer technology and equipment" means computers  
10 servers, notebooks, network equipment, copiers, printers,  
11 instructional software, security software, curriculum  
12 management courseware, and other similar materials and  
13 equipment.

14 "Computer technology and equipment investment  
15 allocation" means the final Adequacy Target amount of an  
16 Organizational Unit assigned to Tier 1 or Tier 2 in the  
17 prior school year attributable to the additional \$285.50  
18 per student computer technology and equipment investment  
19 grant divided by the Organizational Unit's final Adequacy  
20 Target, the result of which shall be multiplied by the  
21 amount of new funding received pursuant to this Section. An  
22 Organizational Unit assigned to a Tier 1 or Tier 2 final  
23 Adequacy Target attributable to the received computer  
24 technology and equipment investment grant shall include  
25 all additional investments in computer technology and  
26 equipment adequacy elements.

1           "Core subject" means mathematics; science; reading,  
2           English, writing, and language arts; history and social  
3           studies; world languages; and subjects taught as Advanced  
4           Placement in high schools.

5           "Core teacher" means a regular classroom teacher in  
6           elementary schools and teachers of a core subject in middle  
7           and high schools.

8           "Core Intervention teacher (tutor)" means a licensed  
9           teacher providing one-on-one or small group tutoring to  
10          students struggling to meet proficiency in core subjects.

11          "CPPRT" means corporate personal property replacement  
12          tax funds paid to an Organizational Unit during the  
13          calendar year one year before the calendar year in which a  
14          school year begins, pursuant to "An Act in relation to the  
15          abolition of ad valorem personal property tax and the  
16          replacement of revenues lost thereby, and amending and  
17          repealing certain Acts and parts of Acts in connection  
18          therewith", certified August 14, 1979, as amended (Public  
19          Act 81-1st S.S.-1).

20          "EAV" means equalized assessed valuation as defined in  
21          paragraph (2) of subsection (d) of this Section and  
22          calculated in accordance with paragraph (3) of subsection  
23          (d) of this Section.

24          "ECI" means the Bureau of Labor Statistics' national  
25          employment cost index for civilian workers in educational  
26          services in elementary and secondary schools on a

1 cumulative basis for the 12-month calendar year preceding  
2 the fiscal year of the Evidence-Based Funding calculation.

3 "EIS Data" means the employment information system  
4 data maintained by the State Board on educators within  
5 Organizational Units.

6 "Employee benefits" means health, dental, and vision  
7 insurance offered to employees of an Organizational Unit,  
8 the costs associated with the statutorily required payment  
9 of the normal cost of the Organizational Unit's teacher  
10 pensions as set forth in subparagraph (U) of paragraph (2)  
11 of subsection (b) of this Section, Social Security employer  
12 contributions, and Illinois Municipal Retirement Fund  
13 employer contributions.

14 "English learner" or "EL" means a child included in the  
15 definition of "English learners" under Section 14C-2 of  
16 this Code participating in a program of transitional  
17 bilingual education or a transitional program of  
18 instruction meeting the requirements and program  
19 application procedures of Article 14C of this Code. For the  
20 purposes of collecting the number of EL students enrolled,  
21 the same collection and calculation methodology as defined  
22 above for "ASE" shall apply to English learners, with the  
23 exception that EL student enrollment shall include  
24 students in grades pre-kindergarten through 12.

25 "Essential Elements" means those elements, resources,  
26 and educational programs that have been identified through

1 academic research as necessary to improve student success,  
2 improve academic performance, close achievement gaps, and  
3 provide for other per student costs related to the delivery  
4 and leadership of the Organizational Unit, as well as the  
5 maintenance and operations of the unit, and which are  
6 specified in paragraph (2) of subsection (b) of this  
7 Section.

8 "Evidence-Based Funding" means State funding provided  
9 to an Organizational Unit pursuant to this Section.

10 "Extended day" means academic and enrichment programs  
11 provided to students outside the regular school day before  
12 and after school or during non-instructional times during  
13 the school day.

14 "Extension Limitation Ratio" means a numerical ratio  
15 in which the numerator is the Base Tax Year's Extension and  
16 the denominator is the Preceding Tax Year's Extension.

17 "Final Percent of Adequacy" is defined in paragraph (4)  
18 of subsection (f) of this Section.

19 "Final Resources" is defined in paragraph (3) of  
20 subsection (f) of this Section.

21 "Full-time equivalent" or "FTE" means the full-time  
22 equivalency compensation for staffing the relevant  
23 position at an Organizational Unit.

24 "Funding Gap" is defined in paragraph (1) of subsection  
25 (g).

26 "Guidance counselor" means a licensed guidance

1 counselor who provides guidance and counseling support for  
2 students within an Organizational Unit.

3 "Hybrid District" means a partial elementary unit  
4 district created pursuant to Article 11E of this Code.

5 "Instructional assistant" means a core or special  
6 education, non-licensed employee who assists a teacher in  
7 the classroom and provides academic support to students.

8 "Instructional facilitator" means a qualified teacher  
9 or licensed teacher leader who facilitates and coaches  
10 continuous improvement in classroom instruction; provides  
11 instructional support to teachers in the elements of  
12 research-based instruction or demonstrates the alignment  
13 of instruction with curriculum standards and assessment  
14 tools; develops or coordinates instructional programs or  
15 strategies; develops and implements training; chooses  
16 standards-based instructional materials; provides teachers  
17 with an understanding of current research; serves as a  
18 mentor, site coach, curriculum specialist, or lead  
19 teacher; or otherwise works with fellow teachers, in  
20 collaboration, to use data to improve instructional  
21 practice or develop model lessons.

22 "Instructional materials" means relevant instructional  
23 materials for student instruction, including, but not  
24 limited to, textbooks, consumable workbooks, laboratory  
25 equipment, library books, and other similar materials.

26 "Laboratory School" means a public school that is

1 created and operated by a public university and approved by  
2 the State Board.

3 "Librarian" means a teacher with an endorsement as a  
4 library information specialist or another individual whose  
5 primary responsibility is overseeing library resources  
6 within an Organizational Unit.

7 "Limiting rate for Hybrid Districts" means the  
8 combined elementary school and high school limiting  
9 ~~limited~~ rates.

10 "Local Capacity" is defined in paragraph (1) of  
11 subsection (c) of this Section.

12 "Local Capacity Percentage" is defined in subparagraph  
13 (A) of paragraph (2) of subsection (c) of this Section.

14 "Local Capacity Ratio" is defined in subparagraph (B)  
15 of paragraph (2) of subsection (c) of this Section.

16 "Local Capacity Target" is defined in paragraph (2) of  
17 subsection (c) of this Section.

18 "Low-Income Count" means, for an Organizational Unit  
19 in a fiscal year, the higher of the average number of  
20 students for the prior school year or the immediately  
21 preceding 3 school years who, as of July 1 of the  
22 immediately preceding fiscal year (as determined by the  
23 Department of Human Services), are eligible for at least  
24 one of the following low-income ~~low-income~~ programs:  
25 Medicaid, the Children's Health Insurance Program,  
26 Temporary Assistance for Needy Families (TANF), or the

1 Supplemental Nutrition Assistance Program, excluding  
2 pupils who are eligible for services provided by the  
3 Department of Children and Family Services. Until such time  
4 that grade level low-income populations become available,  
5 grade level low-income populations shall be determined by  
6 applying the low-income percentage to total student  
7 enrollments by grade level. The low-income percentage is  
8 determined by dividing the Low-Income Count by the Average  
9 Student Enrollment. The low-income percentage for programs  
10 operated by a regional office of education or an  
11 intermediate service center must be set to the weighted  
12 average of the low-income percentages of all of the school  
13 districts in the service region. The weighted low-income  
14 percentage is the result of multiplying the low-income  
15 percentage of each school district served by the regional  
16 office of education or intermediate service center by each  
17 school district's Average Student Enrollment, summarizing  
18 those products and dividing the total by the total Average  
19 Student Enrollment for the service region.

20 "Maintenance and operations" means custodial services,  
21 facility and ground maintenance, facility operations,  
22 facility security, routine facility repairs, and other  
23 similar services and functions.

24 "Minimum Funding Level" is defined in paragraph (9) of  
25 subsection (g) of this Section.

26 "New Property Tax Relief Pool Funds" means, for any

1 given fiscal year, all State funds appropriated under  
2 Section 2-3.170 of the School Code.

3 "New State Funds" means, for a given school year, all  
4 State funds appropriated for Evidence-Based Funding in  
5 excess of the amount needed to fund the Base Funding  
6 Minimum for all Organizational Units in that school year.

7 "Net State Contribution Target" means, for a given  
8 school year, the amount of State funds that would be  
9 necessary to fully meet the Adequacy Target of an  
10 Operational Unit minus the Preliminary Resources available  
11 to each unit.

12 "Nurse" means an individual licensed as a certified  
13 school nurse, in accordance with the rules established for  
14 nursing services by the State Board, who is an employee of  
15 and is available to provide health care-related services  
16 for students of an Organizational Unit.

17 "Operating Tax Rate" means the rate utilized in the  
18 previous year to extend property taxes for all purposes,  
19 except, Bond and Interest, Summer School, Rent, Capital  
20 Improvement, and Vocational Education Building purposes.  
21 For Hybrid Districts, the Operating Tax Rate shall be the  
22 combined elementary and high school rates utilized in the  
23 previous year to extend property taxes for all purposes,  
24 except, Bond and Interest, Summer School, Rent, Capital  
25 Improvement, and Vocational Education Building purposes.

26 "Organizational Unit" means a Laboratory School or any

1 public school district that is recognized as such by the  
2 State Board and that contains elementary schools typically  
3 serving kindergarten through 5th grades, middle schools  
4 typically serving 6th through 8th grades, high schools  
5 typically serving 9th through 12th grades, a program  
6 established under Section 2-3.66 or 2-3.41, or a program  
7 operated by a regional office of education or an  
8 intermediate service center under Article 13A or 13B. The  
9 General Assembly acknowledges that the actual grade levels  
10 served by a particular Organizational Unit may vary  
11 slightly from what is typical.

12 "Organizational Unit CWI" is determined by calculating  
13 the CWI in the region and original county in which an  
14 Organizational Unit's primary administrative office is  
15 located as set forth in this paragraph, provided that if  
16 the Organizational Unit CWI as calculated in accordance  
17 with this paragraph is less than 0.9, the Organizational  
18 Unit CWI shall be increased to 0.9. Each county's current  
19 CWI value shall be adjusted based on the CWI value of that  
20 county's neighboring Illinois counties, to create a  
21 "weighted adjusted index value". This shall be calculated  
22 by summing the CWI values of all of a county's adjacent  
23 Illinois counties and dividing by the number of adjacent  
24 Illinois counties, then taking the weighted value of the  
25 original county's CWI value and the adjacent Illinois  
26 county average. To calculate this weighted value, if the

1 number of adjacent Illinois counties is greater than 2, the  
2 original county's CWI value will be weighted at 0.25 and  
3 the adjacent Illinois county average will be weighted at  
4 0.75. If the number of adjacent Illinois counties is 2, the  
5 original county's CWI value will be weighted at 0.33 and  
6 the adjacent Illinois county average will be weighted at  
7 0.66. The greater of the county's current CWI value and its  
8 weighted adjusted index value shall be used as the  
9 Organizational Unit CWI.

10 "Preceding Tax Year" means the property tax levy year  
11 immediately preceding the Base Tax Year.

12 "Preceding Tax Year's Extension" means the product of  
13 the equalized assessed valuation utilized by the county  
14 clerk in the Preceding Tax Year multiplied by the Operating  
15 Tax Rate.

16 "Preliminary Percent of Adequacy" is defined in  
17 paragraph (2) of subsection (f) of this Section.

18 "Preliminary Resources" is defined in paragraph (2) of  
19 subsection (f) of this Section.

20 "Principal" means a school administrator duly endorsed  
21 to be employed as a principal in this State.

22 "Professional development" means training programs for  
23 licensed staff in schools, including, but not limited to,  
24 programs that assist in implementing new curriculum  
25 programs, provide data focused or academic assessment data  
26 training to help staff identify a student's weaknesses and

1 strengths, target interventions, improve instruction,  
2 encompass instructional strategies for English learner,  
3 gifted, or at-risk students, address inclusivity, cultural  
4 sensitivity, or implicit bias, or otherwise provide  
5 professional support for licensed staff.

6 "Prototypical" means 450 special education  
7 pre-kindergarten and kindergarten through grade 5 students  
8 for an elementary school, 450 grade 6 through 8 students  
9 for a middle school, and 600 grade 9 through 12 students  
10 for a high school.

11 "PTELL" means the Property Tax Extension Limitation  
12 Law.

13 "PTELL EAV" is defined in paragraph (4) of subsection  
14 (d) of this Section.

15 "Pupil support staff" means a nurse, psychologist,  
16 social worker, family liaison personnel, or other staff  
17 member who provides support to at-risk or struggling  
18 students.

19 "Real Receipts" is defined in paragraph (1) of  
20 subsection (d) of this Section.

21 "Regionalization Factor" means, for a particular  
22 Organizational Unit, the figure derived by dividing the  
23 Organizational Unit CWI by the Statewide Weighted CWI.

24 "School site staff" means the primary school secretary  
25 and any additional clerical personnel assigned to a school.

26 "Special education" means special educational

1 facilities and services, as defined in Section 14-1.08 of  
2 this Code.

3 "Special Education Allocation" means the amount of an  
4 Organizational Unit's final Adequacy Target attributable  
5 to special education divided by the Organizational Unit's  
6 final Adequacy Target, the product of which shall be  
7 multiplied by the amount of new funding received pursuant  
8 to this Section. An Organizational Unit's final Adequacy  
9 Target attributable to special education shall include all  
10 special education investment adequacy elements.

11 "Specialist teacher" means a teacher who provides  
12 instruction in subject areas not included in core subjects,  
13 including, but not limited to, art, music, physical  
14 education, health, driver education, career-technical  
15 education, and such other subject areas as may be mandated  
16 by State law or provided by an Organizational Unit.

17 "Specially Funded Unit" means an Alternative School,  
18 safe school, Department of Juvenile Justice school,  
19 special education cooperative or entity recognized by the  
20 State Board as a special education cooperative,  
21 State-approved charter school, or alternative learning  
22 opportunities program that received direct funding from  
23 the State Board during the 2016-2017 school year through  
24 any of the funding sources included within the calculation  
25 of the Base Funding Minimum or Glenwood Academy.

26 "Supplemental Grant Funding" means supplemental

1 general State aid funding received by an Organizational  
2 ~~Organization~~ Unit during the 2016-2017 school year  
3 pursuant to subsection (H) of Section 18-8.05 of this Code  
4 (now repealed).

5 "State Adequacy Level" is the sum of the Adequacy  
6 Targets of all Organizational Units.

7 "State Board" means the State Board of Education.

8 "State Superintendent" means the State Superintendent  
9 of Education.

10 "Statewide Weighted CWI" means a figure determined by  
11 multiplying each Organizational Unit CWI times the ASE for  
12 that Organizational Unit creating a weighted value,  
13 summing all Organizational Units' ~~Unit's~~ weighted values,  
14 and dividing by the total ASE of all Organizational Units,  
15 thereby creating an average weighted index.

16 "Student activities" means non-credit producing  
17 after-school programs, including, but not limited to,  
18 clubs, bands, sports, and other activities authorized by  
19 the school board of the Organizational Unit.

20 "Substitute teacher" means an individual teacher or  
21 teaching assistant who is employed by an Organizational  
22 Unit and is temporarily serving the Organizational Unit on  
23 a per diem or per period-assignment basis to replace  
24 ~~replacing~~ another staff member.

25 "Summer school" means academic and enrichment programs  
26 provided to students during the summer months outside of

1 the regular school year.

2 "Supervisory aide" means a non-licensed staff member  
3 who helps in supervising students of an Organizational  
4 Unit, but does so outside of the classroom, in situations  
5 such as, but not limited to, monitoring hallways and  
6 playgrounds, supervising lunchrooms, or supervising  
7 students when being transported in buses serving the  
8 Organizational Unit.

9 "Target Ratio" is defined in paragraph (4) of  
10 subsection (g).

11 "Tier 1", "Tier 2", "Tier 3", and "Tier 4" are defined  
12 in paragraph (3) of subsection (g).

13 "Tier 1 Aggregate Funding", "Tier 2 Aggregate  
14 Funding", "Tier 3 Aggregate Funding", and "Tier 4 Aggregate  
15 Funding" are defined in paragraph (1) of subsection (g).

16 (b) Adequacy Target calculation.

17 (1) Each Organizational Unit's Adequacy Target is the  
18 sum of the Organizational Unit's cost of providing  
19 Essential Elements, as calculated in accordance with this  
20 subsection (b), with the salary amounts in the Essential  
21 Elements multiplied by a Regionalization Factor calculated  
22 pursuant to paragraph (3) of this subsection (b).

23 (2) The Essential Elements are attributable on a pro  
24 rata basis related to defined subgroups of the ASE of each  
25 Organizational Unit as specified in this paragraph (2),  
26 with investments and FTE positions pro rata funded based on

1 ASE counts in excess or less than the thresholds set forth  
2 in this paragraph (2). The method for calculating  
3 attributable pro rata costs and the defined subgroups  
4 thereto are as follows:

5 (A) Core class size investments. Each  
6 Organizational Unit shall receive the funding required  
7 to support that number of FTE core teacher positions as  
8 is needed to keep the respective class sizes of the  
9 Organizational Unit to the following maximum numbers:

10 (i) For grades kindergarten through 3, the  
11 Organizational Unit shall receive funding required  
12 to support one FTE core teacher position for every  
13 15 Low-Income Count students in those grades and  
14 one FTE core teacher position for every 20  
15 non-Low-Income Count students in those grades.

16 (ii) For grades 4 through 12, the  
17 Organizational Unit shall receive funding required  
18 to support one FTE core teacher position for every  
19 20 Low-Income Count students in those grades and  
20 one FTE core teacher position for every 25  
21 non-Low-Income Count students in those grades.

22 The number of non-Low-Income Count students in a  
23 grade shall be determined by subtracting the  
24 Low-Income students in that grade from the ASE of the  
25 Organizational Unit for that grade.

26 (B) Specialist teacher investments. Each

1 Organizational Unit shall receive the funding needed  
2 to cover that number of FTE specialist teacher  
3 positions that correspond to the following  
4 percentages:

5 (i) if the Organizational Unit operates an  
6 elementary or middle school, then 20.00% of the  
7 number of the Organizational Unit's core teachers,  
8 as determined under subparagraph (A) of this  
9 paragraph (2); and

10 (ii) if such Organizational Unit operates a  
11 high school, then 33.33% of the number of the  
12 Organizational Unit's core teachers.

13 (C) Instructional facilitator investments. Each  
14 Organizational Unit shall receive the funding needed  
15 to cover one FTE instructional facilitator position  
16 for every 200 combined ASE of pre-kindergarten  
17 children with disabilities and all kindergarten  
18 through grade 12 students of the Organizational Unit.

19 (D) Core intervention teacher (tutor) investments.  
20 Each Organizational Unit shall receive the funding  
21 needed to cover one FTE teacher position for each  
22 prototypical elementary, middle, and high school.

23 (E) Substitute teacher investments. Each  
24 Organizational Unit shall receive the funding needed  
25 to cover substitute teacher costs that is equal to  
26 5.70% of the minimum pupil attendance days required

1 under Section 10-19 of this Code for all full-time  
2 equivalent core, specialist, and intervention  
3 teachers, school nurses, special education teachers  
4 and instructional assistants, instructional  
5 facilitators, and summer school and extended day  
6 ~~extended day~~ teacher positions, as determined under  
7 this paragraph (2), at a salary rate of 33.33% of the  
8 average salary for grade K through 12 teachers and  
9 33.33% of the average salary of each instructional  
10 assistant position.

11 (F) Core guidance counselor investments. Each  
12 Organizational Unit shall receive the funding needed  
13 to cover one FTE guidance counselor for each 450  
14 combined ASE of pre-kindergarten children with  
15 disabilities and all kindergarten through grade 5  
16 students, plus one FTE guidance counselor for each 250  
17 grades 6 through 8 ASE middle school students, plus one  
18 FTE guidance counselor for each 250 grades 9 through 12  
19 ASE high school students.

20 (G) Nurse investments. Each Organizational Unit  
21 shall receive the funding needed to cover one FTE nurse  
22 for each 750 combined ASE of pre-kindergarten children  
23 with disabilities and all kindergarten through grade  
24 12 students across all grade levels it serves.

25 (H) Supervisory aide investments. Each  
26 Organizational Unit shall receive the funding needed

1 to cover one FTE for each 225 combined ASE of  
2 pre-kindergarten children with disabilities and all  
3 kindergarten through grade 5 students, plus one FTE for  
4 each 225 ASE middle school students, plus one FTE for  
5 each 200 ASE high school students.

6 (I) Librarian investments. Each Organizational  
7 Unit shall receive the funding needed to cover one FTE  
8 librarian for each prototypical elementary school,  
9 middle school, and high school and one FTE aide or  
10 media technician for every 300 combined ASE of  
11 pre-kindergarten children with disabilities and all  
12 kindergarten through grade 12 students.

13 (J) Principal investments. Each Organizational  
14 Unit shall receive the funding needed to cover one FTE  
15 principal position for each prototypical elementary  
16 school, plus one FTE principal position for each  
17 prototypical middle school, plus one FTE principal  
18 position for each prototypical high school.

19 (K) Assistant principal investments. Each  
20 Organizational Unit shall receive the funding needed  
21 to cover one FTE assistant principal position for each  
22 prototypical elementary school, plus one FTE assistant  
23 principal position for each prototypical middle  
24 school, plus one FTE assistant principal position for  
25 each prototypical high school.

26 (L) School site staff investments. Each

1 Organizational Unit shall receive the funding needed  
2 for one FTE position for each 225 ASE of  
3 pre-kindergarten children with disabilities and all  
4 kindergarten through grade 5 students, plus one FTE  
5 position for each 225 ASE middle school students, plus  
6 one FTE position for each 200 ASE high school students.

7 (M) Gifted investments. Each Organizational Unit  
8 shall receive \$40 per kindergarten through grade 12  
9 ASE.

10 (N) Professional development investments. Each  
11 Organizational Unit shall receive \$125 per student of  
12 the combined ASE of pre-kindergarten children with  
13 disabilities and all kindergarten through grade 12  
14 students for trainers and other professional  
15 development-related expenses for supplies and  
16 materials.

17 (O) Instructional material investments. Each  
18 Organizational Unit shall receive \$190 per student of  
19 the combined ASE of pre-kindergarten children with  
20 disabilities and all kindergarten through grade 12  
21 students to cover instructional material costs.

22 (P) Assessment investments. Each Organizational  
23 Unit shall receive \$25 per student of the combined ASE  
24 of pre-kindergarten children with disabilities and all  
25 kindergarten through grade 12 students ~~student~~ to  
26 cover assessment costs.

1           (Q) Computer technology and equipment investments.  
2           Each Organizational Unit shall receive \$285.50 per  
3           student of the combined ASE of pre-kindergarten  
4           children with disabilities and all kindergarten  
5           through grade 12 students to cover computer technology  
6           and equipment costs. For the 2018-2019 school year and  
7           subsequent school years, Organizational Units assigned  
8           to Tier 1 and Tier 2 in the prior school year shall  
9           receive an additional \$285.50 per student of the  
10          combined ASE of pre-kindergarten children with  
11          disabilities and all kindergarten through grade 12  
12          students to cover computer technology and equipment  
13          costs in the Organizational ~~Organization~~ Unit's  
14          Adequacy Target. The State Board may establish  
15          additional requirements for Organizational Unit  
16          expenditures of funds received pursuant to this  
17          subparagraph (Q), including a requirement that funds  
18          received pursuant to this subparagraph (Q) may be used  
19          only for serving the technology needs of the district.  
20          It is the intent of Public Act 100-465 ~~this amendatory~~  
21          ~~Act of the 100th General Assembly~~ that all Tier 1 and  
22          Tier 2 districts receive the addition to their Adequacy  
23          Target in the following year, subject to compliance  
24          with the requirements of the State Board.

25          (R) Student activities investments. Each  
26          Organizational Unit shall receive the following

1 funding amounts to cover student activities: \$100 per  
2 kindergarten through grade 5 ASE student in elementary  
3 school, plus \$200 per ASE student in middle school,  
4 plus \$675 per ASE student in high school.

5 (S) Maintenance and operations investments. Each  
6 Organizational Unit shall receive \$1,038 per student  
7 of the combined ASE of pre-kindergarten children with  
8 disabilities and all kindergarten through grade 12  
9 students for day-to-day maintenance and operations  
10 expenditures, including salary, supplies, and  
11 materials, as well as purchased services, but  
12 excluding employee benefits. The proportion of salary  
13 for the application of a Regionalization Factor and the  
14 calculation of benefits is equal to \$352.92.

15 (T) Central office investments. Each  
16 Organizational Unit shall receive \$742 per student of  
17 the combined ASE of pre-kindergarten children with  
18 disabilities and all kindergarten through grade 12  
19 students to cover central office operations, including  
20 administrators and classified personnel charged with  
21 managing the instructional programs, business and  
22 operations of the school district, and security  
23 personnel. The proportion of salary for the  
24 application of a Regionalization Factor and the  
25 calculation of benefits is equal to \$368.48.

26 (U) Employee benefit investments. Each

1 Organizational Unit shall receive 30% of the total of  
2 all salary-calculated elements of the Adequacy Target,  
3 excluding substitute teachers and student activities  
4 investments, to cover benefit costs. For central  
5 office and maintenance and operations investments, the  
6 benefit calculation shall be based upon the salary  
7 proportion of each investment.

8 For fiscal year 2021 and each fiscal year  
9 thereafter, the State Superintendent shall calculate  
10 the employer normal cost of teacher pensions of each  
11 Organizational Unit, other than a school district  
12 organized under Article 34 of this Code, using the  
13 applicable Regionalization Factor multiplied by the  
14 salaries of the positions set forth in paragraph (3) of  
15 this subsection (b) and the administrators and  
16 classified personnel described in subparagraph (T) of  
17 this paragraph (2) that are covered by Article 16 of  
18 the Illinois Pension Code and the aggregate rate of the  
19 normal cost for teacher pensions of all employers,  
20 expressed as a percentage of projected payroll as  
21 determined by the Teachers' Retirement System of the  
22 State of Illinois pursuant to subsection (b-5) of  
23 Section 16-158 of the Illinois Pension Code. The amount  
24 calculated by the State Superintendent as the employer  
25 normal cost of teacher pensions for the Organizational  
26 Unit shall be added to the employee benefit investments

1 specified under this subparagraph (U).

2 For fiscal year 2021 and each fiscal year  
3 thereafter, the State Superintendent shall calculate  
4 the employer normal cost of teacher pensions of a  
5 school district organized under Article 34 of this Code  
6 using the applicable Regionalization Factor multiplied  
7 by the average salaries of positions set forth in  
8 paragraph (3) of this subsection (b) and the  
9 administrators and classified personnel described in  
10 subparagraph (T) of this paragraph (2) that are covered  
11 by Article 17 of the Illinois Pension Code and the rate  
12 of the normal cost for teacher pensions, expressed as a  
13 percentage of projected payroll as determined by the  
14 Public School Teachers' Pension and Retirement Fund of  
15 Chicago pursuant to subsection (i) of Section 17-127 of  
16 the Illinois Pension Code. The amount calculated by the  
17 State Superintendent as the employer normal cost of  
18 teacher pensions for a school district organized under  
19 Article 34 of this Code shall be added to the employee  
20 benefit investments specified under this subparagraph  
21 (U).

22 ~~If at any time the responsibility for funding the~~  
23 ~~employer normal cost of teacher pensions is assigned to~~  
24 ~~school districts, then that amount certified by the~~  
25 ~~Teachers' Retirement System of the State of Illinois to~~  
26 ~~be paid by the Organizational Unit for the preceding~~

1 ~~school year shall be added to the benefit investment.~~  
2 ~~For any fiscal year in which a school district~~  
3 ~~organized under Article 34 of this Code is responsible~~  
4 ~~for paying the employer normal cost of teacher~~  
5 ~~pensions, then that amount of its employer normal cost~~  
6 ~~plus the amount for retiree health insurance as~~  
7 ~~certified by the Public School Teachers' Pension and~~  
8 ~~Retirement Fund of Chicago to be paid by the school~~  
9 ~~district for the preceding school year that is~~  
10 ~~statutorily required to cover employer normal costs~~  
11 ~~and the amount for retiree health insurance shall be~~  
12 ~~added to the 30% specified in this subparagraph (U).~~  
13 The Teachers' Retirement System of the State of  
14 Illinois and the Public School Teachers' Pension and  
15 Retirement Fund of Chicago shall submit such  
16 information as the State Superintendent may require  
17 for the calculations set forth in this subparagraph  
18 (U).

19 (V) Additional investments in low-income students.  
20 In addition to and not in lieu of all other funding  
21 under this paragraph (2), each Organizational Unit  
22 shall receive funding based on the average teacher  
23 salary for grades K through 12 to cover the costs of:

24 (i) one FTE intervention teacher (tutor)  
25 position for every 125 Low-Income Count students;

26 (ii) one FTE pupil support staff position for

1 every 125 Low-Income Count students;

2 (iii) one FTE extended day teacher position  
3 for every 120 Low-Income Count students; and

4 (iv) one FTE summer school teacher position  
5 for every 120 Low-Income Count students.

6 (W) Additional investments in English learner  
7 students. In addition to and not in lieu of all other  
8 funding under this paragraph (2), each Organizational  
9 Unit shall receive funding based on the average teacher  
10 salary for grades K through 12 to cover the costs of:

11 (i) one FTE intervention teacher (tutor)  
12 position for every 125 English learner students;

13 (ii) one FTE pupil support staff position for  
14 every 125 English learner students;

15 (iii) one FTE extended day teacher position  
16 for every 120 English learner students;

17 (iv) one FTE summer school teacher position  
18 for every 120 English learner students; and

19 (v) one FTE core teacher position for every 100  
20 English learner students.

21 (X) Special education investments. Each  
22 Organizational Unit shall receive funding based on the  
23 average teacher salary for grades K through 12 to cover  
24 special education as follows:

25 (i) one FTE teacher position for every 141  
26 combined ASE of pre-kindergarten children with

1 disabilities and all kindergarten through grade 12  
2 students;

3 (ii) one FTE instructional assistant for every  
4 141 combined ASE of pre-kindergarten children with  
5 disabilities and all kindergarten through grade 12  
6 students; and

7 (iii) one FTE psychologist position for every  
8 1,000 combined ASE of pre-kindergarten children  
9 with disabilities and all kindergarten through  
10 grade 12 students.

11 (3) For calculating the salaries included within the  
12 Essential Elements, the State Superintendent shall  
13 annually calculate average salaries to the nearest dollar  
14 using the employment information system data maintained by  
15 the State Board, limited to public schools only and  
16 excluding special education and vocational cooperatives,  
17 schools operated by the Department of Juvenile Justice, and  
18 charter schools, for the following positions:

19 (A) Teacher for grades K through 8.

20 (B) Teacher for grades 9 through 12.

21 (C) Teacher for grades K through 12.

22 (D) Guidance counselor for grades K through 8.

23 (E) Guidance counselor for grades 9 through 12.

24 (F) Guidance counselor for grades K through 12.

25 (G) Social worker.

26 (H) Psychologist.

1 (I) Librarian.

2 (J) Nurse.

3 (K) Principal.

4 (L) Assistant principal.

5 For the purposes of this paragraph (3), "teacher"  
6 includes core teachers, specialist and elective teachers,  
7 instructional facilitators, tutors, special education  
8 teachers, pupil support staff teachers, English learner  
9 teachers, extended day ~~extended day~~ teachers, and summer  
10 school teachers. Where specific grade data is not required  
11 for the Essential Elements, the average salary for  
12 corresponding positions shall apply. For substitute  
13 teachers, the average teacher salary for grades K through  
14 12 shall apply.

15 For calculating the salaries included within the  
16 Essential Elements for positions not included within EIS  
17 Data, the following salaries shall be used in the first  
18 year of implementation of Evidence-Based Funding:

19 (i) school site staff, \$30,000; and

20 (ii) non-instructional assistant, instructional  
21 assistant, library aide, library media tech, or  
22 supervisory aide: \$25,000.

23 In the second and subsequent years of implementation of  
24 Evidence-Based Funding, the amounts in items (i) and (ii)  
25 of this paragraph (3) shall annually increase by the ECI.

26 The salary amounts for the Essential Elements

1 determined pursuant to subparagraphs (A) through (L), (S)  
2 and (T), and (V) through (X) of paragraph (2) of subsection  
3 (b) of this Section shall be multiplied by a  
4 Regionalization Factor.

5 (c) Local Capacity ~~capacity~~ calculation.

6 (1) Each Organizational Unit's Local Capacity  
7 represents an amount of funding it is assumed to contribute  
8 toward its Adequacy Target for purposes of the  
9 Evidence-Based Funding formula calculation. "Local  
10 Capacity" means either (i) the Organizational Unit's Local  
11 Capacity Target as calculated in accordance with paragraph  
12 (2) of this subsection (c) if its Real Receipts are equal  
13 to or less than its Local Capacity Target or (ii) the  
14 Organizational Unit's Adjusted Local Capacity, as  
15 calculated in accordance with paragraph (3) of this  
16 subsection (c) if Real Receipts are more than its Local  
17 Capacity Target.

18 (2) "Local Capacity Target" means, for an  
19 Organizational Unit, that dollar amount that is obtained by  
20 multiplying its Adequacy Target by its Local Capacity  
21 Ratio.

22 (A) An Organizational Unit's Local Capacity  
23 Percentage is the conversion of the Organizational  
24 Unit's Local Capacity Ratio, as such ratio is  
25 determined in accordance with subparagraph (B) of this  
26 paragraph (2), into a cumulative distribution

1 resulting in a percentile ranking to determine each  
2 Organizational Unit's relative position to all other  
3 Organizational Units in this State. The calculation of  
4 Local Capacity Percentage is described in subparagraph  
5 (C) of this paragraph (2).

6 (B) An Organizational Unit's Local Capacity Ratio  
7 in a given year is the percentage obtained by dividing  
8 its Adjusted EAV or PTELL EAV, whichever is less, by  
9 its Adequacy Target, with the resulting ratio further  
10 adjusted as follows:

11 (i) for Organizational Units serving grades  
12 kindergarten through 12 and Hybrid Districts, no  
13 further adjustments shall be made;

14 (ii) for Organizational Units serving grades  
15 kindergarten through 8, the ratio shall be  
16 multiplied by 9/13;

17 (iii) for Organizational Units serving grades  
18 9 through 12, the Local Capacity Ratio shall be  
19 multiplied by 4/13; and

20 (iv) for an Organizational Unit with a  
21 different grade configuration than those specified  
22 in items (i) through (iii) of this subparagraph  
23 (B), the State Superintendent shall determine a  
24 comparable adjustment based on the grades served.

25 (C) The Local Capacity Percentage is equal to the  
26 percentile ranking of the district. Local Capacity

1 Percentage converts each Organizational Unit's Local  
2 Capacity Ratio to a cumulative distribution resulting  
3 in a percentile ranking to determine each  
4 Organizational Unit's relative position to all other  
5 Organizational Units in this State. The Local Capacity  
6 Percentage cumulative distribution resulting in a  
7 percentile ranking for each Organizational Unit shall  
8 be calculated using the standard normal distribution  
9 of the score in relation to the weighted mean and  
10 weighted standard deviation and Local Capacity Ratios  
11 of all Organizational Units. If the value assigned to  
12 any Organizational Unit is in excess of 90%, the value  
13 shall be adjusted to 90%. For Laboratory Schools, the  
14 Local Capacity Percentage shall be set at 10% in  
15 recognition of the absence of EAV and resources from  
16 the public university that are allocated to the  
17 Laboratory School. For programs operated by a regional  
18 office of education or an intermediate service center,  
19 the Local Capacity Percentage must be set at 10% in  
20 recognition of the absence of EAV and resources from  
21 school districts that are allocated to the regional  
22 office of education or intermediate service center.  
23 The weighted mean for the Local Capacity Percentage  
24 shall be determined by multiplying each Organizational  
25 Unit's Local Capacity Ratio times the ASE for the unit  
26 creating a weighted value, summing the weighted values

1 of all Organizational Units, and dividing by the total  
2 ASE of all Organizational Units. The weighted standard  
3 deviation shall be determined by taking the square root  
4 of the weighted variance of all Organizational Units'  
5 Local Capacity Ratio, where the variance is calculated  
6 by squaring the difference between each unit's Local  
7 Capacity Ratio and the weighted mean, then multiplying  
8 the variance for each unit times the ASE for the unit  
9 to create a weighted variance for each unit, then  
10 summing all units' weighted variance and dividing by  
11 the total ASE of all units.

12 (D) For any Organizational Unit, the  
13 Organizational Unit's Adjusted Local Capacity Target  
14 shall be reduced by either (i) the school board's  
15 remaining contribution pursuant to paragraph (ii) of  
16 subsection (b-4) of Section 16-158 of the Illinois  
17 Pension Code in a given year, or (ii) the board of  
18 education's remaining contribution pursuant to  
19 paragraph (iv) of subsection (b) of Section 17-129 of  
20 the Illinois Pension Code absent the employer normal  
21 cost portion of the required contribution and amount  
22 allowed pursuant to subdivision (3) of Section  
23 17-142.1 of the Illinois Pension Code in a given year.  
24 In the preceding sentence, item (i) shall be certified  
25 to the State Board of Education by the Teachers'  
26 Retirement System of the State of Illinois and item

1 (ii) shall be certified to the State Board of Education  
2 by the Public School Teachers' Pension and Retirement  
3 Fund of the City of Chicago.

4 (3) If an Organizational Unit's Real Receipts are more  
5 than its Local Capacity Target, then its Local Capacity  
6 shall equal an Adjusted Local Capacity Target as calculated  
7 in accordance with this paragraph (3). The Adjusted Local  
8 Capacity Target is calculated as the sum of the  
9 Organizational Unit's Local Capacity Target and its Real  
10 Receipts Adjustment. The Real Receipts Adjustment equals  
11 the Organizational Unit's Real Receipts less its Local  
12 Capacity Target, with the resulting figure multiplied by  
13 the Local Capacity Percentage.

14 As used in this paragraph (3), "Real Percent of  
15 Adequacy" means the sum of an Organizational Unit's Real  
16 Receipts, CPPRT, and Base Funding Minimum, with the  
17 resulting figure divided by the Organizational Unit's  
18 Adequacy Target.

19 (d) Calculation of Real Receipts, EAV, and Adjusted EAV for  
20 purposes of the Local Capacity calculation.

21 (1) An Organizational Unit's Real Receipts are the  
22 product of its Applicable Tax Rate and its Adjusted EAV. An  
23 Organizational Unit's Applicable Tax Rate is its Adjusted  
24 Operating Tax Rate for property within the Organizational  
25 Unit.

26 (2) The State Superintendent shall calculate the

1       equalized assessed valuation ~~Equalized Assessed Valuation~~,  
2       or EAV, of all taxable property of each Organizational Unit  
3       as of September 30 of the previous year in accordance with  
4       paragraph (3) of this subsection (d). The State  
5       Superintendent shall then determine the Adjusted EAV of  
6       each Organizational Unit in accordance with paragraph (4)  
7       of this subsection (d), which Adjusted EAV figure shall be  
8       used for the purposes of calculating Local Capacity.

9           (3) To calculate Real Receipts and EAV, the Department  
10       of Revenue shall supply to the State Superintendent the  
11       value as equalized or assessed by the Department of Revenue  
12       of all taxable property of every Organizational Unit,  
13       together with (i) the applicable tax rate used in extending  
14       taxes for the funds of the Organizational Unit as of  
15       September 30 of the previous year and (ii) the limiting  
16       rate for all Organizational Units subject to property tax  
17       extension limitations as imposed under PTELL.

18           (A) The Department of Revenue shall add to the  
19       equalized assessed value of all taxable property of  
20       each Organizational Unit situated entirely or  
21       partially within a county that is or was subject to the  
22       provisions of Section 15-176 or 15-177 of the Property  
23       Tax Code (i) an amount equal to the total amount by  
24       which the homestead exemption allowed under Section  
25       15-176 or 15-177 of the Property Tax Code for real  
26       property situated in that Organizational Unit exceeds

1 the total amount that would have been allowed in that  
2 Organizational Unit if the maximum reduction under  
3 Section 15-176 was (I) \$4,500 in Cook County or \$3,500  
4 in all other counties in tax year 2003 or (II) \$5,000  
5 in all counties in tax year 2004 and thereafter and  
6 (ii) an amount equal to the aggregate amount for the  
7 taxable year of all additional exemptions under  
8 Section 15-175 of the Property Tax Code for owners with  
9 a household income of \$30,000 or less. The county clerk  
10 of any county that is or was subject to the provisions  
11 of Section 15-176 or 15-177 of the Property Tax Code  
12 shall annually calculate and certify to the Department  
13 of Revenue for each Organizational Unit all homestead  
14 exemption amounts under Section 15-176 or 15-177 of the  
15 Property Tax Code and all amounts of additional  
16 exemptions under Section 15-175 of the Property Tax  
17 Code for owners with a household income of \$30,000 or  
18 less. It is the intent of this subparagraph (A) that if  
19 the general homestead exemption for a parcel of  
20 property is determined under Section 15-176 or 15-177  
21 of the Property Tax Code rather than Section 15-175,  
22 then the calculation of EAV shall not be affected by  
23 the difference, if any, between the amount of the  
24 general homestead exemption allowed for that parcel of  
25 property under Section 15-176 or 15-177 of the Property  
26 Tax Code and the amount that would have been allowed

1 had the general homestead exemption for that parcel of  
2 property been determined under Section 15-175 of the  
3 Property Tax Code. It is further the intent of this  
4 subparagraph (A) that if additional exemptions are  
5 allowed under Section 15-175 of the Property Tax Code  
6 for owners with a household income of less than  
7 \$30,000, then the calculation of EAV shall not be  
8 affected by the difference, if any, because of those  
9 additional exemptions.

10 (B) With respect to any part of an Organizational  
11 Unit within a redevelopment project area in respect to  
12 which a municipality has adopted tax increment  
13 allocation financing pursuant to the Tax Increment  
14 Allocation Redevelopment Act, Division 74.4 of Article  
15 11 of the Illinois Municipal Code, or the Industrial  
16 Jobs Recovery Law, Division 74.6 of Article 11 of the  
17 Illinois Municipal Code, no part of the current EAV of  
18 real property located in any such project area that  
19 ~~which~~ is attributable to an increase above the total  
20 initial EAV of such property shall be used as part of  
21 the EAV of the Organizational Unit, until such time as  
22 all redevelopment project costs have been paid, as  
23 provided in Section 11-74.4-8 of the Tax Increment  
24 Allocation Redevelopment Act or in Section 11-74.6-35  
25 of the Industrial Jobs Recovery Law. For the purpose of  
26 the EAV of the Organizational Unit, the total initial

1 EAV or the current EAV, whichever is lower, shall be  
2 used until such time as all redevelopment project costs  
3 have been paid.

4 (B-5) The real property equalized assessed  
5 valuation for a school district shall be adjusted by  
6 subtracting from the real property value, as equalized  
7 or assessed by the Department of Revenue, for the  
8 district an amount computed by dividing the amount of  
9 any abatement of taxes under Section 18-170 of the  
10 Property Tax Code by 3.00% for a district maintaining  
11 grades kindergarten through 12, by 2.30% for a district  
12 maintaining grades kindergarten through 8, or by 1.05%  
13 for a district maintaining grades 9 through 12 and  
14 adjusted by an amount computed by dividing the amount  
15 of any abatement of taxes under subsection (a) of  
16 Section 18-165 of the Property Tax Code by the same  
17 percentage rates for district type as specified in this  
18 subparagraph (B-5).

19 (C) For Organizational Units that are Hybrid  
20 Districts, the State Superintendent shall use the  
21 lesser of the adjusted equalized assessed valuation  
22 for property within the partial elementary unit  
23 district for elementary purposes, as defined in  
24 Article 11E of this Code, or the adjusted equalized  
25 assessed valuation for property within the partial  
26 elementary unit district for high school purposes, as

1 defined in Article 11E of this Code.

2 (4) An Organizational Unit's Adjusted EAV shall be the  
3 average of its EAV over the immediately preceding 3 years  
4 or its EAV in the immediately preceding year if the EAV in  
5 the immediately preceding year has declined by 10% or more  
6 compared to the 3-year average. In the event of  
7 Organizational Unit reorganization, consolidation, or  
8 annexation, the Organizational Unit's Adjusted EAV for the  
9 first 3 years after such change shall be as follows: the  
10 most current EAV shall be used in the first year, the  
11 average of a 2-year EAV or its EAV in the immediately  
12 preceding year if the EAV declines by 10% or more compared  
13 to the 2-year average for the second year, and a 3-year  
14 average EAV or its EAV in the immediately preceding year if  
15 the Adjusted ~~adjusted~~ EAV declines by 10% or more compared  
16 to the 3-year average for the third year. For any school  
17 district whose EAV in the immediately preceding year is  
18 used in calculations, in the following year, the Adjusted  
19 EAV shall be the average of its EAV over the immediately  
20 preceding 2 years or the immediately preceding year if that  
21 year represents a decline of 10% or more compared to the  
22 2-year average.

23 "PTELL EAV" means a figure calculated by the State  
24 Board for Organizational Units subject to PTELL as  
25 described in this paragraph (4) for the purposes of  
26 calculating an Organizational Unit's Local Capacity Ratio.

1 Except as otherwise provided in this paragraph (4), the  
2 PTELL EAV of an Organizational Unit shall be equal to the  
3 product of the equalized assessed valuation last used in  
4 the calculation of general State aid under Section 18-8.05  
5 of this Code (now repealed) or Evidence-Based Funding under  
6 this Section and the Organizational Unit's Extension  
7 Limitation Ratio. If an Organizational Unit has approved or  
8 does approve an increase in its limiting rate, pursuant to  
9 Section 18-190 of the Property Tax Code, affecting the Base  
10 Tax Year, the PTELL EAV shall be equal to the product of  
11 the equalized assessed valuation last used in the  
12 calculation of general State aid under Section 18-8.05 of  
13 this Code (now repealed) or Evidence-Based Funding under  
14 this Section multiplied by an amount equal to one plus the  
15 percentage increase, if any, in the Consumer Price Index  
16 for All Urban Consumers for all items published by the  
17 United States Department of Labor for the 12-month calendar  
18 year preceding the Base Tax Year, plus the equalized  
19 assessed valuation of new property, annexed property, and  
20 recovered tax increment value and minus the equalized  
21 assessed valuation of disconnected property.

22 As used in this paragraph (4), "new property" and  
23 "recovered tax increment value" shall have the meanings set  
24 forth in the Property Tax Extension Limitation Law.

25 (e) Base Funding Minimum calculation.

26 (1) For the 2017-2018 school year, the Base Funding

1 Minimum of an Organizational Unit or a Specially Funded  
2 Unit shall be the amount of State funds distributed to the  
3 Organizational Unit or Specially Funded Unit during the  
4 2016-2017 school year prior to any adjustments and  
5 specified appropriation amounts described in this  
6 paragraph (1) from the following Sections, as calculated by  
7 the State Superintendent: Section 18-8.05 of this Code (now  
8 repealed); Section 5 of Article 224 of Public Act 99-524  
9 (equity grants); Section 14-7.02b of this Code (funding for  
10 children requiring special education services); Section  
11 14-13.01 of this Code (special education facilities and  
12 staffing), except for reimbursement of the cost of  
13 transportation pursuant to Section 14-13.01; Section  
14 14C-12 of this Code (English learners); and Section 18-4.3  
15 of this Code (summer school), based on an appropriation  
16 level of \$13,121,600. For a school district organized under  
17 Article 34 of this Code, the Base Funding Minimum also  
18 includes (i) the funds allocated to the school district  
19 pursuant to Section 1D-1 of this Code attributable to  
20 funding programs authorized by the Sections of this Code  
21 listed in the preceding sentence~~→~~ and (ii) the difference  
22 between (I) the funds allocated to the school district  
23 pursuant to Section 1D-1 of this Code attributable to the  
24 funding programs authorized by Section 14-7.02 (non-public  
25 special education reimbursement), subsection (b) of  
26 Section 14-13.01 (special education transportation),

1 Section 29-5 (transportation), Section 2-3.80  
2 (agricultural education), Section 2-3.66 (truants'  
3 alternative education), Section 2-3.62 (educational  
4 service centers), and Section 14-7.03 (special education -  
5 orphanage) of this Code and Section 15 of the Childhood  
6 Hunger Relief Act (free breakfast program) and (II) the  
7 school district's actual expenditures for its non-public  
8 special education, special education transportation,  
9 transportation programs, agricultural education, truants'  
10 alternative education, services that would otherwise be  
11 performed by a regional office of education, special  
12 education orphanage expenditures, and free breakfast, as  
13 most recently calculated and reported pursuant to  
14 subsection (f) of Section 1D-1 of this Code. The Base  
15 Funding Minimum for Glenwood Academy shall be \$625,500. For  
16 programs operated by a regional office of education or an  
17 intermediate service center, the Base Funding Minimum must  
18 be the total amount of State funds allocated to those  
19 programs in the 2018-2019 school year and amounts provided  
20 pursuant to Article 34 of Public Act 100-586 and Section  
21 3-16 of this Code. All programs established after June 5,  
22 2019 (the effective date of Public Act 101-10) ~~this~~  
23 ~~amendatory Act of the 101st General Assembly~~ and  
24 administered by a regional office of education or an  
25 intermediate service center must have an initial Base  
26 Funding Minimum set to an amount equal to the first-year

1 ASE multiplied by the amount of per pupil funding received  
2 in the previous school year by the lowest funded similar  
3 existing program type. If the enrollment for a program  
4 operated by a regional office of education or an  
5 intermediate service center is zero, then it may not  
6 receive Base Funding Minimum funds for that program in the  
7 next fiscal year, and those funds must be distributed to  
8 Organizational Units under subsection (g).

9 (2) For the 2018-2019 and 2019-2020 ~~subsequent~~ school  
10 years, the Base Funding Minimum of Organizational Units and  
11 Specially Funded Units shall be the sum of (i) the amount  
12 of Evidence-Based Funding for the prior school year, (ii)  
13 the Base Funding Minimum for the prior school year, and  
14 (iii) any amount received by a school district pursuant to  
15 Section 7 of Article 97 of Public Act 100-21.

16 (2.5) Except as otherwise provided in paragraph (3) of  
17 this subsection (e), for the 2020-2021 school year, the  
18 Base Funding Minimum of Organizational Units and Specially  
19 Funded Units shall be the sum of (i) the amount of New  
20 State Funds they received in the prior school year, (ii)  
21 the Base Funding Minimum for the prior school year, and  
22 (iii) the amount certified by the Teachers' Retirement  
23 System of the State of Illinois as the normal cost of the  
24 Organizational Unit's teacher pensions assigned to that  
25 Organizational Unit pursuant to subsection (b-5) of  
26 Section 16-158 of the Illinois Pension Code for the

1 preceding school year or the amount certified by the Public  
2 School Teachers' Pension and Retirement Fund of Chicago  
3 that the board of education of a school district organized  
4 under Article 34 of this Code is obligated to contribute  
5 pursuant to subsection (i) of Section 17-127 of the  
6 Illinois Pension Code in the preceding school year. Except  
7 as otherwise provided in paragraph (3) of this subsection  
8 (e), for the 2021-2022 school year and subsequent school  
9 years, the Base Funding Minimum of Organizational Units and  
10 Specially Funded Units shall be the sum of (i) the amount  
11 of New State Funds they received in the prior year and (ii)  
12 the Base Funding Minimum for the prior school year.

13 (3) In this paragraph (3):

14 "Excess state payment" means any amount of an  
15 Organizational Unit's Preliminary Base Funding Minimum  
16 that is in excess of the expected State payment.

17 "Expected State payment" means the amount an  
18 Organizational Unit would receive from the State if the  
19 Evidence-Based Funding formula under this Section were  
20 fully funded, calculated for each Organizational Unit by  
21 taking the difference of the Organizational Unit's  
22 regionalized Adequacy Target and its preliminary Local  
23 Capacity Target.

24 For the 2021-2022 school year and subsequent school  
25 years, the Base Funding Minimum of Organizational Units  
26 shall exclude any excess State payment specified and

1 determined by the State Superintendent pursuant to this  
2 paragraph (3). For the 2021-2022 school year, the State  
3 Superintendent shall exclude 33% of any excess State  
4 payment amount from the Base Funding Minimum of the  
5 Organizational Unit. For the 2022-2023 school year, the  
6 State Superintendent shall exclude 66% of any excess State  
7 payment amount from the Base Funding Minimum of the  
8 Organizational Unit. For the 2023-2024 school year and  
9 subsequent school years, the State Superintendent shall  
10 exclude 100% of any excess State payment amount from the  
11 Base Funding Minimum of the Organizational Unit. Each  
12 school year, the State Superintendent shall distribute the  
13 total amount of excess State payment amounts excluded  
14 pursuant to this paragraph (3) as New State Funds pursuant  
15 to subsection (g) of this Section.

16 (f) Percent of Adequacy and Final Resources calculation.

17 (1) The Evidence-Based Funding formula establishes a  
18 Percent of Adequacy for each Organizational Unit in order  
19 to place such units into tiers for the purposes of the  
20 funding distribution system described in subsection (g) of  
21 this Section. Initially, an Organizational Unit's  
22 Preliminary Resources and Preliminary Percent of Adequacy  
23 are calculated pursuant to paragraph (2) of this subsection  
24 (f). Then, an Organizational Unit's Final Resources and  
25 Final Percent of Adequacy are calculated to account for the  
26 Organizational Unit's poverty concentration levels

1           pursuant to paragraphs (3) and (4) of this subsection (f).

2           (2) An Organizational Unit's Preliminary Resources are  
3           equal to the sum of its Local Capacity Target, CPPRT, and  
4           Base Funding Minimum. An Organizational Unit's Preliminary  
5           Percent of Adequacy is the lesser of (i) its Preliminary  
6           Resources divided by its Adequacy Target or (ii) 100%.

7           (3) Except for Specially Funded Units, an  
8           Organizational Unit's Final Resources are equal the sum of  
9           its Local Capacity, CPPRT, and Adjusted Base Funding  
10          Minimum. The Base Funding Minimum of each Specially Funded  
11          Unit shall serve as its Final Resources, except that the  
12          Base Funding Minimum for State-approved charter schools  
13          shall not include any portion of general State aid  
14          allocated in the prior year based on the per capita tuition  
15          charge times the charter school enrollment.

16          (4) An Organizational Unit's Final Percent of Adequacy  
17          is its Final Resources divided by its Adequacy Target. An  
18          Organizational Unit's Adjusted Base Funding Minimum is  
19          equal to its Base Funding Minimum less its Supplemental  
20          Grant Funding, with the resulting figure added to the  
21          product of its Supplemental Grant Funding and Preliminary  
22          Percent of Adequacy.

23          (g) Evidence-Based Funding formula distribution system.

24          (1) In each school year under the Evidence-Based  
25          Funding formula, each Organizational Unit receives funding  
26          equal to the sum of its Base Funding Minimum and the unit's

1 allocation of New State Funds determined pursuant to this  
2 subsection (g). To allocate New State Funds, the  
3 Evidence-Based Funding formula distribution system first  
4 places all Organizational Units into one of 4 tiers in  
5 accordance with paragraph (3) of this subsection (g), based  
6 on the Organizational Unit's Final Percent of Adequacy. New  
7 State Funds are allocated to each of the 4 tiers as  
8 follows: Tier 1 Aggregate Funding equals 50% of all New  
9 State Funds, Tier 2 Aggregate Funding equals 49% of all New  
10 State Funds, Tier 3 Aggregate Funding equals 0.9% of all  
11 New State Funds, and Tier 4 Aggregate Funding equals 0.1%  
12 of all New State Funds. Each Organizational Unit within  
13 Tier 1 or Tier 2 receives an allocation of New State Funds  
14 equal to its tier Funding Gap, as defined in the following  
15 sentence, multiplied by the tier's Allocation Rate  
16 determined pursuant to paragraph (4) of this subsection  
17 (g). For Tier 1, an Organizational Unit's Funding Gap  
18 equals the tier's Target Ratio, as specified in paragraph  
19 (5) of this subsection (g), multiplied by the  
20 Organizational Unit's Adequacy Target, with the resulting  
21 amount reduced by the Organizational Unit's Final  
22 Resources. For Tier 2, an Organizational Unit's Funding Gap  
23 equals the tier's Target Ratio, as described in paragraph  
24 (5) of this subsection (g), multiplied by the  
25 Organizational Unit's Adequacy Target, with the resulting  
26 amount reduced by the Organizational Unit's Final

1 Resources and its Tier 1 funding allocation. To determine  
2 the Organizational Unit's Funding Gap, the resulting  
3 amount is then multiplied by a factor equal to one minus  
4 the Organizational Unit's Local Capacity Target  
5 percentage. Each Organizational Unit within Tier 3 or Tier  
6 4 receives an allocation of New State Funds equal to the  
7 product of its Adequacy Target and the tier's Allocation  
8 Rate, as specified in paragraph (4) of this subsection (g).

9 (2) To ensure equitable distribution of dollars for all  
10 Tier 2 Organizational Units, no Tier 2 Organizational Unit  
11 shall receive fewer dollars per ASE than any Tier 3  
12 Organizational Unit. Each Tier 2 and Tier 3 Organizational  
13 Unit shall have its funding allocation divided by its ASE.  
14 Any Tier 2 Organizational Unit with a funding allocation  
15 per ASE below the greatest Tier 3 allocation per ASE shall  
16 get a funding allocation equal to the greatest Tier 3  
17 funding allocation per ASE multiplied by the  
18 Organizational Unit's ASE. Each Tier 2 Organizational  
19 Unit's Tier 2 funding allocation shall be multiplied by the  
20 percentage calculated by dividing the original Tier 2  
21 Aggregate Funding by the sum of all Tier 2 Organizational  
22 Units' ~~Unit's~~ Tier 2 funding allocation after adjusting  
23 districts' funding below Tier 3 levels.

24 (3) Organizational Units are placed into one of 4 tiers  
25 as follows:

26 (A) Tier 1 consists of all Organizational Units,

1           except for Specially Funded Units, with a Percent of  
2           Adequacy less than the Tier 1 Target Ratio. The Tier 1  
3           Target Ratio is the ratio level that allows for Tier 1  
4           Aggregate Funding to be distributed, with the Tier 1  
5           Allocation Rate determined pursuant to paragraph (4)  
6           of this subsection (g).

7           (B) Tier 2 consists of all Tier 1 Units and all  
8           other Organizational Units, except for Specially  
9           Funded Units, with a Percent of Adequacy of less than  
10          0.90.

11          (C) Tier 3 consists of all Organizational Units,  
12          except for Specially Funded Units, with a Percent of  
13          Adequacy of at least 0.90 and less than 1.0.

14          (D) Tier 4 consists of all Organizational Units  
15          with a Percent of Adequacy of at least 1.0.

16          (4) The Allocation Rates for Tiers 1 through 4 are ~~is~~  
17          determined as follows:

18                (A) The Tier 1 Allocation Rate is 30%.

19                (B) The Tier 2 Allocation Rate is the result of the  
20                following equation: Tier 2 Aggregate Funding, divided  
21                by the sum of the Funding Gaps for all Tier 2  
22                Organizational Units, unless the result of such  
23                equation is higher than 1.0. If the result of such  
24                equation is higher than 1.0, then the Tier 2 Allocation  
25                Rate is 1.0.

26                (C) The Tier 3 Allocation Rate is the result of the

1 following equation: Tier 3 Aggregate Funding, divided  
2 by the sum of the Adequacy Targets of all Tier 3  
3 Organizational Units.

4 (D) The Tier 4 Allocation Rate is the result of the  
5 following equation: Tier 4 Aggregate Funding, divided  
6 by the sum of the Adequacy Targets of all Tier 4  
7 Organizational Units.

8 (5) A tier's Target Ratio is determined as follows:

9 (A) The Tier 1 Target Ratio is the ratio level that  
10 allows for Tier 1 Aggregate Funding to be distributed  
11 with the Tier 1 Allocation Rate.

12 (B) The Tier 2 Target Ratio is 0.90.

13 (C) The Tier 3 Target Ratio is 1.0.

14 (6) If, at any point, the Tier 1 Target Ratio is  
15 greater than 90%, than all Tier 1 funding shall be  
16 allocated to Tier 2 and no Tier 1 Organizational Unit's  
17 funding may be identified.

18 (7) In the event that all Tier 2 Organizational Units  
19 receive funding at the Tier 2 Target Ratio level, any  
20 remaining New State Funds shall be allocated to Tier 3 and  
21 Tier 4 Organizational Units.

22 (8) If any Specially Funded Units, excluding Glenwood  
23 Academy, recognized by the State Board do not qualify for  
24 direct funding following the implementation of Public Act  
25 100-465 ~~this amendatory Act of the 100th General Assembly~~  
26 from any of the funding sources included within the

1 definition of Base Funding Minimum, the unqualified  
2 portion of the Base Funding Minimum shall be transferred to  
3 one or more appropriate Organizational Units as determined  
4 by the State Superintendent based on the prior year ASE of  
5 the Organizational Units.

6 (8.5) If a school district withdraws from a special  
7 education cooperative, the portion of the Base Funding  
8 Minimum that is attributable to the school district may be  
9 redistributed to the school district upon withdrawal. The  
10 school district and the cooperative must include the amount  
11 of the Base Funding Minimum that is to be reapportioned  
12 ~~re-apportioned~~ in their withdrawal agreement and notify  
13 the State Board of the change with a copy of the agreement  
14 upon withdrawal.

15 (9) The Minimum Funding Level is intended to establish  
16 a target for State funding that will keep pace with  
17 inflation and continue to advance equity through the  
18 Evidence-Based Funding formula. The target for State  
19 funding of New Property Tax Relief Pool Funds is  
20 \$50,000,000 for State fiscal year 2019 and subsequent State  
21 fiscal years. The Minimum Funding Level is equal to  
22 \$350,000,000. In addition to any New State Funds, no more  
23 than \$50,000,000 New Property Tax Relief Pool Funds may be  
24 counted toward ~~towards~~ the Minimum Funding Level. If the  
25 sum of New State Funds and applicable New Property Tax  
26 Relief Pool Funds are less than the Minimum Funding Level,

1 than funding for tiers shall be reduced in the following  
2 manner:

3 (A) First, Tier 4 funding shall be reduced by an  
4 amount equal to the difference between the Minimum  
5 Funding Level and New State Funds until such time as  
6 Tier 4 funding is exhausted.

7 (B) Next, Tier 3 funding shall be reduced by an  
8 amount equal to the difference between the Minimum  
9 Funding Level and New State Funds and the reduction in  
10 Tier 4 funding until such time as Tier 3 funding is  
11 exhausted.

12 (C) Next, Tier 2 funding shall be reduced by an  
13 amount equal to the difference between the Minimum  
14 Funding Level ~~level~~ and New ~~new~~ State Funds and the  
15 reduction in Tier 4 and Tier 3.

16 (D) Finally, Tier 1 funding shall be reduced by an  
17 amount equal to the difference between the Minimum  
18 Funding level and New State Funds and the reduction in  
19 Tier 2, 3, and 4 funding. In addition, the Allocation  
20 Rate for Tier 1 shall be reduced to a percentage equal  
21 to the Tier 1 Allocation Rate ~~allocation rate~~ set by  
22 paragraph (4) of this subsection (g), multiplied by the  
23 result of New State Funds divided by the Minimum  
24 Funding Level.

25 (9.5) For State fiscal year 2019 and subsequent State  
26 fiscal years, if New State Funds exceed \$300,000,000, then

1 any amount in excess of \$300,000,000 shall be dedicated for  
2 purposes of Section 2-3.170 of this Code up to a maximum of  
3 \$50,000,000.

4 (10) In the event of a decrease in the amount of the  
5 appropriation for this Section in any fiscal year after  
6 implementation of this Section, the Organizational Units  
7 receiving Tier 1 and Tier 2 funding, as determined under  
8 paragraph (3) of this subsection (g), shall be held  
9 harmless by establishing a Base Funding Guarantee equal to  
10 the per pupil kindergarten through grade 12 funding  
11 received in accordance with this Section in the prior  
12 fiscal year. Reductions shall be made to the Base Funding  
13 Minimum of Organizational Units in Tier 3 and Tier 4 on a  
14 per pupil basis equivalent to the total number of the ASE  
15 in Tier 3-funded and Tier 4-funded Organizational Units  
16 divided by the total reduction in State funding. The Base  
17 Funding Minimum as reduced shall continue to be applied to  
18 Tier 3 and Tier 4 Organizational Units and adjusted by the  
19 relative formula when increases in appropriations for this  
20 Section resume. In no event may State funding reductions to  
21 Organizational Units in Tier 3 or Tier 4 exceed an amount  
22 that would be less than the Base Funding Minimum  
23 established in the first year of implementation of this  
24 Section. If additional reductions are required, all school  
25 districts shall receive a reduction by a per pupil amount  
26 equal to the aggregate additional appropriation reduction

1 divided by the total ASE of all Organizational Units.

2 (11) The State Superintendent shall make minor  
3 adjustments to the distribution formula set forth in this  
4 subsection (g) to account for the rounding of percentages  
5 to the nearest tenth of a percentage and dollar amounts to  
6 the nearest whole dollar.

7 (h) State Superintendent administration of funding and  
8 district submission requirements.

9 (1) The State Superintendent shall, in accordance with  
10 appropriations made by the General Assembly, meet the  
11 funding obligations created under this Section.

12 (2) The State Superintendent shall calculate the  
13 Adequacy Target for each Organizational Unit and Net State  
14 Contribution Target for each Organizational Unit under  
15 this Section. No Evidence-Based Funding shall be  
16 distributed within an Organizational Unit without the  
17 approval of the unit's school board.

18 (3) Annually, the State Superintendent shall calculate  
19 and report to each Organizational Unit the unit's aggregate  
20 financial adequacy amount, which shall be the sum of the  
21 Adequacy Target for each Organizational Unit. The State  
22 Superintendent shall calculate and report separately for  
23 each Organizational Unit the unit's total State funds  
24 allocated for its students with disabilities. The State  
25 Superintendent shall calculate and report separately for  
26 each Organizational Unit the amount of funding and

1 applicable FTE calculated for each Essential Element of the  
2 unit's Adequacy Target.

3 (4) Annually, the State Superintendent shall calculate  
4 and report to each Organizational Unit the amount the unit  
5 must expend on special education and bilingual education  
6 and computer technology and equipment for Organizational  
7 Units assigned to Tier 1 or Tier 2 that received an  
8 additional \$285.50 per student computer technology and  
9 equipment investment grant to their Adequacy Target  
10 pursuant to the unit's Base Funding Minimum, Special  
11 Education Allocation, Bilingual Education Allocation, and  
12 computer technology and equipment investment allocation.

13 (5) Moneys distributed under this Section shall be  
14 calculated on a school year basis, but paid on a fiscal  
15 year basis, with payments beginning in August and extending  
16 through June. Unless otherwise provided, the moneys  
17 appropriated for each fiscal year shall be distributed in  
18 22 equal payments at least 2 times monthly to each  
19 Organizational Unit. If moneys appropriated for any fiscal  
20 year are distributed other than monthly, the distribution  
21 shall be on the same basis for each Organizational Unit.

22 (6) Any school district that fails, for any given  
23 school year, to maintain school as required by law or to  
24 maintain a recognized school is not eligible to receive  
25 Evidence-Based Funding. In case of non-recognition of one  
26 or more attendance centers in a school district otherwise

1 operating recognized schools, the claim of the district  
2 shall be reduced in the proportion that the enrollment in  
3 the attendance center or centers bears to the enrollment of  
4 the school district. "Recognized school" means any public  
5 school that meets the standards for recognition by the  
6 State Board. A school district or attendance center not  
7 having recognition status at the end of a school term is  
8 entitled to receive State aid payments due upon a legal  
9 claim that was filed while it was recognized.

10 (7) School district claims filed under this Section are  
11 subject to Sections 18-9 and 18-12 of this Code, except as  
12 otherwise provided in this Section.

13 (8) Each fiscal year, the State Superintendent shall  
14 calculate for each Organizational Unit an amount of its  
15 Base Funding Minimum and Evidence-Based Funding that shall  
16 be deemed attributable to the provision of special  
17 educational facilities and services, as defined in Section  
18 14-1.08 of this Code, in a manner that ensures compliance  
19 with maintenance of State financial support requirements  
20 under the federal Individuals with Disabilities Education  
21 Act. An Organizational Unit must use such funds only for  
22 the provision of special educational facilities and  
23 services, as defined in Section 14-1.08 of this Code, and  
24 must comply with any expenditure verification procedures  
25 adopted by the State Board.

26 (9) All Organizational Units in this State must submit

1 annual spending plans by the end of September of each year  
2 to the State Board as part of the annual budget process,  
3 which shall describe how each Organizational Unit will  
4 utilize the Base Funding Minimum ~~Funding~~ and  
5 Evidence-Based Funding ~~funding~~ it receives from this State  
6 under this Section with specific identification of the  
7 intended utilization of Low-Income, English learner, and  
8 special education resources. Additionally, the annual  
9 spending plans of each Organizational Unit shall describe  
10 how the Organizational Unit expects to achieve student  
11 growth and how the Organizational Unit will achieve State  
12 education goals, as defined by the State Board. The State  
13 Superintendent may, from time to time, identify additional  
14 requisites for Organizational Units to satisfy when  
15 compiling the annual spending plans required under this  
16 subsection (h). The format and scope of annual spending  
17 plans shall be developed by the State Superintendent and  
18 the State Board of Education. School districts that serve  
19 students under Article 14C of this Code shall continue to  
20 submit information as required under Section 14C-12 of this  
21 Code.

22 (10) No later than January 1, 2018, the State  
23 Superintendent shall develop a 5-year strategic plan for  
24 all Organizational Units to help in planning for adequacy  
25 funding under this Section. The State Superintendent shall  
26 submit the plan to the Governor and the General Assembly,

1 as provided in Section 3.1 of the General Assembly  
2 Organization Act. The plan shall include recommendations  
3 for:

4 (A) a framework for collaborative, professional,  
5 innovative, and 21st century learning environments  
6 using the Evidence-Based Funding model;

7 (B) ways to prepare and support this State's  
8 educators for successful instructional careers;

9 (C) application and enhancement of the current  
10 financial accountability measures, the approved State  
11 plan to comply with the federal Every Student Succeeds  
12 Act, and the Illinois Balanced Accountability Measures  
13 in relation to student growth and elements of the  
14 Evidence-Based Funding model; and

15 (D) implementation of an effective school adequacy  
16 funding system based on projected and recommended  
17 funding levels from the General Assembly.

18 (11) On an annual basis, the State Superintendent must  
19 recalibrate all of the following per pupil elements of the  
20 Adequacy Target and applied to the formulas, based on the  
21 study of average expenses and as reported in the most  
22 recent annual financial report:

23 (A) Gifted under subparagraph (M) of paragraph (2)  
24 of subsection (b).

25 (B) Instructional materials under subparagraph (O)  
26 of paragraph (2) of subsection (b).

1 (C) Assessment under subparagraph (P) of paragraph  
2 (2) of subsection (b).

3 (D) Student activities under subparagraph (R) of  
4 paragraph (2) of subsection (b).

5 (E) Maintenance and operations under subparagraph  
6 (S) of paragraph (2) of subsection (b).

7 (F) Central office under subparagraph (T) of  
8 paragraph (2) of subsection (b).

9 (i) Professional Review Panel.

10 (1) A Professional Review Panel is created to study and  
11 review topics related to the implementation and effect of  
12 Evidence-Based Funding, as assigned by a joint resolution  
13 or Public Act of the General Assembly or a motion passed by  
14 the State Board of Education. The Panel must provide  
15 recommendations to and serve the Governor, the General  
16 Assembly, and the State Board. The State Superintendent or  
17 his or her designee must serve as a voting member and  
18 chairperson of the Panel. The State Superintendent must  
19 appoint a vice chairperson from the membership of the  
20 Panel. The Panel must advance recommendations based on a  
21 three-fifths majority vote of Panel ~~panel~~ members present  
22 and voting. A minority opinion may also accompany any  
23 recommendation of the Panel. The Panel shall be appointed  
24 by the State Superintendent, except as otherwise provided  
25 in paragraph (2) of this subsection (i) and include the  
26 following members:

1           (A) Two appointees that represent district  
2 superintendents, recommended by a statewide  
3 organization that represents district superintendents.

4           (B) Two appointees that represent school boards,  
5 recommended by a statewide organization that  
6 represents school boards.

7           (C) Two appointees from districts that represent  
8 school business officials, recommended by a statewide  
9 organization that represents school business  
10 officials.

11           (D) Two appointees that represent school  
12 principals, recommended by a statewide organization  
13 that represents school principals.

14           (E) Two appointees that represent teachers,  
15 recommended by a statewide organization that  
16 represents teachers.

17           (F) Two appointees that represent teachers,  
18 recommended by another statewide organization that  
19 represents teachers.

20           (G) Two appointees that represent regional  
21 superintendents of schools, recommended by  
22 organizations that represent regional superintendents.

23           (H) Two independent experts selected solely by the  
24 State Superintendent.

25           (I) Two independent experts recommended by public  
26 universities in this State.

1           (J) One member recommended by a statewide  
2 organization that represents parents.

3           (K) Two representatives recommended by collective  
4 impact organizations that represent major metropolitan  
5 areas or geographic areas in Illinois.

6           (L) One member from a statewide organization  
7 focused on research-based education policy to support  
8 a school system that prepares all students for college,  
9 a career, and democratic citizenship.

10          (M) One representative from a school district  
11 organized under Article 34 of this Code.

12          The State Superintendent shall ensure that the  
13 membership of the Panel includes representatives from  
14 school districts and communities reflecting the  
15 geographic, socio-economic, racial, and ethnic diversity  
16 of this State. The State Superintendent shall additionally  
17 ensure that the membership of the Panel includes  
18 representatives with expertise in bilingual education and  
19 special education. Staff from the State Board shall staff  
20 the Panel.

21          (2) In addition to those Panel members appointed by the  
22 State Superintendent, 4 members of the General Assembly  
23 shall be appointed as follows: one member of the House of  
24 Representatives appointed by the Speaker of the House of  
25 Representatives, one member of the Senate appointed by the  
26 President of the Senate, one member of the House of

1 Representatives appointed by the Minority Leader of the  
2 House of Representatives, and one member of the Senate  
3 appointed by the Minority Leader of the Senate. There shall  
4 be one additional member appointed by the Governor. All  
5 members appointed by legislative leaders or the Governor  
6 shall be non-voting, ex officio members.

7 (3) The Panel must study topics at the direction of the  
8 General Assembly or State Board of Education, as provided  
9 under paragraph (1). The Panel may also study the following  
10 topics at the direction of the chairperson: ~~(4)~~

11 (A) The format and scope of annual spending plans  
12 referenced in paragraph (9) of subsection (h) of this  
13 Section.

14 (B) The Comparable Wage Index under this Section.

15 (C) Maintenance and operations, including capital  
16 maintenance and construction costs.

17 (D) "At-risk student" definition.

18 (E) Benefits.

19 (F) Technology.

20 (G) Local Capacity Target.

21 (H) Funding for Alternative Schools, Laboratory  
22 Schools, safe schools, and alternative learning  
23 opportunities programs.

24 (I) Funding for college and career acceleration  
25 strategies.

26 (J) Special education investments.

1           (K) Early childhood investments, in collaboration  
2           with the Illinois Early Learning Council.

3           (4) (Blank).

4           (5) Within 5 years after the implementation of this  
5           Section, and every 5 years thereafter, the Panel shall  
6           complete an evaluative study of the entire Evidence-Based  
7           Funding model, including an assessment of whether or not  
8           the formula is achieving State goals. The Panel shall  
9           report to the State Board, the General Assembly, and the  
10          Governor on the findings of the study.

11          (6) (Blank).

12          (j) References. Beginning July 1, 2017, references in other  
13          laws to general State aid funds or calculations under Section  
14          18-8.05 of this Code (now repealed) shall be deemed to be  
15          references to evidence-based model formula funds or  
16          calculations under this Section.

17          (Source: P.A. 100-465, eff. 8-31-17; 100-578, eff. 1-31-18;  
18          100-582, eff. 3-23-18; 101-10, eff. 6-5-19; 101-17, eff.  
19          6-14-19; revised 7-1-19.)

20          Section 99. Effective date. This Act takes effect upon  
21          becoming law.